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**SUCCESSFUL BUSINESS PROCESS MANAGEMENT IN RETAIL**

Master of Science Thesis

Examiner: Professor Miia Martinsuo  
Examiner and topic approved by the Faculty Council of the Faculty of Business and Built Environment 9.3.2016.

# ABSTRACT

TAMPERE UNIVERSITY OF TECHNOLOGY

Master's Degree Programme in Industrial Engineering and Management

ROTH, LASSI: Successful Business Process Management in Retail

Master of Science Thesis, 109 pages, 1 appendix (1 page)

June 2016

Major: Industrial Management

Examiner: Professor Miia Martinsuo

Keywords: Business process, business process management, success factor, challenge

Business process management (BPM) can be seen as a holistic approach to managing business processes and it has been argued to be the best approach in sustaining organization's competitive advantage. However, how to successfully conduct BPM at the single process level from retailer's point of view seems to be lacking in the previous research. The primary research objective is to gain understanding about the factors relevant to the success of BPM in retail environment at the single process level. The secondary research objective is to be able to give concrete managerial advice about which actions to conduct to contribute to the successful BPM. The research questions are the following: *What are the factors relevant to successful BPM at the single process level in retail environment from retailer's point of view? What kind of challenges are there related to those success factors?*

The research is conducted as a qualitative research using case study strategy with a multiple-case design. Three different business processes with similar characteristics within one case company are investigated. The data is collected via semi-structured theme interviews. The interviews are recorded and transcribed, after which the transcribed interviews are analysed and written.

The findings show that the success factors relevant to successful BPM in retail at the single process level are IT supporting the process, clear responsibilities of one's own and others, relevant cross-functional interaction, process participants with relevant skills in relevant roles, supplier performance achieved through supplier discipline if needed, goal setting and leadership. Both the nature and the criticality of the challenges related to different success factors vary depending both on the process and the success factor itself.

Based on the findings it is advised for any retailer to ensure the fulfilment of the found success factors, which should contribute to the successful BPM. For the case company action plans are suggested separately for the three business processes under examination to further contribute to the successful management of these specific business processes.

# TIIVISTELMÄ

TAMPEREEN TEKNILLINEN YLIOPISTO

Tuotantotalouden koulutusohjelma

ROTH, LASSI: Menestyksenkäs liiketoimintaprosessien hallinta vähittäiskaupan yrityksessä

Diplomityö, 109 sivua, 1 liite (1 sivu)

Kesäkuu 2016

Pääaine: Teollisuustalous

Tarkastaja: professori Miia Martinsuo

Avainsanat: Liiketoimintaprosessi, liiketoimintaprosessien hallinta, menestystekijä, haaste

Liiketoimintaprosessien hallinta on kokonaisvaltainen lähestymistapa prosessien hallintaan ja sitä on pidetty parhaana lähestymistapana ylläpitää organisaation kilpailukykyä. Aikaisempaa tutkimusta siitä, miten liiketoimintaprosessien hallintaa harjoitetaan menestyksekkäästi yksittäisen prosessin tasolla vähittäiskaupan yrityksen näkökulmasta, ei kuitenkaan ole. Tutkimuksen ensisijaisena tavoitteena on luoda ymmärrystä menestyksekkään liiketoimintaprosessien hallinnan keskeisistä tekijöistä. Tutkimuksen toissijaisena tavoitteena on antaa konkreettisia toimenpidesuosituksia menestyksekkäälle liiketoimintaprosessien hallinnalle. Tutkimuskysymyksinä ovat: *Mitkä ovat keskeisiä tekijöitä menestyksekkäässä liiketoimintaprosessien hallinnassa yksittäisen prosessin tasolla vähittäiskaupan yrityksen näkökulmasta? Millaisia haasteita näihin menestyksen kannalta keskeisiin tekijöihin liittyy?*

Tutkimus tehdään laadullisena tutkimuksena monitapaustutkimusstrategiaa hyödyntäen. Case-yrityksen kolme ominaisuusiltaan samankaltaista prosessia otetaan tarkasteluun. Tutkimusaineisto kerätään puolistrukturoiduin teemahaastatteluin. Haastattelut nauhoitetaan ja litteroidaan, minkä jälkeen litteroidut haastattelut analysoidaan ja kirjoitetaan auki.

Tuloksien mukaan keskeisiä tekijöitä menestyksekkäässä liiketoimintaprosessien hallinnassa yksittäisen prosessin tasolla ovat prosessia tukevat IT-järjestelmät, selkeät omat sekä muiden vastuut, relevantti poikkifunktionaalinen vuorovaikutus, roolin mukaiset taidot omaavat prosessiosalliset, toimittajan suorituskyky, joka tarvittaessa varmistetaan toimittajakurilla, tavoitteen asetanta ja ihmisten johtaminen. Menestystekijöihin liittyvät haasteet ja haasteiden merkittävyys riippuvat sekä prosessista että menestystekijästä itsestään.

Tutkimuksen perusteella vähittäiskaupan yrityksen suositellaan turvaamaan löydettyjen menestystekijöiden toteutuminen, jolloin menestyksenkäs liiketoimintaprosessien hallinta pitäisi olla taatumpi. Case-yritykselle annetaan kolmen tarkastelun kohteena olevan prosessin osalta prosessikohtaiset toimenpide-ehdotukset prioriteetteineen menestyksekkään liiketoimintaprosessien hallinnan edistämiseksi kyseisten prosessien osalta.

## PREFACE

Writing this thesis has been quite an experience, although not a light one, to be honest. Making thesis, which allowed me to peek into a chosen phenomenon most comprehensively during my whole studies, has been clearly the heaviest course during my time in TUT. Hopefully it is something that I can learn from for the future. However, finishing this thesis is a good way for me to finish my time as a student and move on to the next phase in my life. All in all, I must admit that I am happy to tell to myself that now this thesis is eventually ready.

Making this thesis would not have been possible without input from many different people. I want to thank Professor Miia Martinsuo for inspiring and supportive way of guiding throughout the whole master's thesis project. I also want to thank the case company's representatives and especially the interviewees for giving me access to your world of processes, it was you who allowed me to make this thesis as it is now.

Finally, special thanks to my own Lena, I think you know.

Tampere, 22.5.2016

Lassi Roth

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## LIST OF SYMBOLS AND ABBREVIATIONS

BPM	Business Process Management
BPM System	Business Process Management System
BPO	Business Process Orientation
BPR	Business Process Reengineering
ERP System	Enterprise Resource Planning System
IT	Information Technology
IT System	Information Technology System
KPI	Key Performance Indicator
TQM	Total Quality Management
WfMS	Workflow Management System

# 1. INTRODUCTION

## 1.1. Background

To reactively respond to market pressures, increased competition, to proactively increase competitive advantage and higher customer expectations have all been mentioned as drivers for organizations to focus more on their processes, improve them and start actually manage and to be managed by them (Grover et al. 1995; Pritchard & Armistead 1999; Ranganathan & Dhaliwal 2001).

When managing processes the interest has shifted from radical one-off improvements to more comprehensive approach, so called business process management (BPM). Developed from the business process reengineering (BPR) traditionally focusing on radical process and performance improvements (Grover et al. 1995; Sikdar & Payyazhi 2014) BPM is seen as a more holistic and long term-term approach to improving, executing and managing processes and also people and software related to them (Pritchard & Armistead 1999). The vital role of BPM in gaining competitive advantage has been recognized (Pritchard & Armistead 1999; Sikdar & Payyazhi 2014) and positive correlation between business success and BPM has been indicated by earlier literature and versatile empirical research (Küng & Hagen 2007; McCormack et al. 2009; McCormack & Johnson 2001, p. 1; Skerlavaj et al. 2007).

To be able to put BPM in the retail context, where the importance of flexibly managed processes and other internal capabilities has been recognized (Randall et al. 2011), the key trends and observations in the field of retail have to be enlightened. At the moment the whole retail environment is changing, which has made responsiveness, agility and flexibility among the fundamental requirements for retail success (Randall et al. 2011). Lately especially in the markets of Western European countries retail companies have been facing multiple challenges that origin from demographic and socio-economic changes including aging population, high unemployment rates and more diversified requirements and needs within more multicultural societies than ever before. (Sandberg 2011) Competition in retail business has increased and become even fierce (Takashima & Kim 2016), customers are demanding better service and lower prices, which have set the need for better customer orientation and operational efficiency (Hübner et al. 2013). Also globally the retail playground has changed and still is undergoing a fundamental change because retailers cannot operate thinking that their marketing channels consist only of retailer's own web shop and traditional stores made of bricks and mortar, but so called multi-channel setting has emerged (Pantano & Viassone 2015). In multi-channel

setting consumers are able to gather information through a great deal of different channels, for example they can use one channel to make a buying decision and use another to actually buy the product (Verhoef et al. 2007). In addition, often gathering info and actually buying the product is done through different channels offered by reciprocally competitive retailers (Chiu et al. 2011).

Due to multiple reasons including the ones presented above retailers have been forced to face decreasing margins together with high price pressures (Sandberg 2011). For example in Finland, where the case company in this thesis is operating, total sales of retail had decreased in both 2014 and 2015 (Tilastokeskus 2015a). Moreover, during the first three months of the year 2016 the total retail sales have been decreasing during two months out of three (Tilastokeskus 2015c; Tilastokeskus 2015d; Tilastokeskus 2015e). Thus, it can be argued that capabilities to adapt to new situations, to innovate and to tackle growing challenges have become more important than ever (Sandberg 2011). Generally BPM can be seen to provide essential capabilities in mastering present and future challenges (vom Brocke et al. 2013) and especially in the situation, where sales and profits are dropping and simultaneously the whole retail playground is changing, company's internal efficiency becomes vital, for which, according to vom Brocke et al. (2013), BPM offers one approach. Based on above and even though it is often argued that there is "no one way of doing it" (Pritchard & Armistead 1999), it would be extremely interesting and beneficial to find out a framework for how to successfully manage processes acting as the capabilities as part of BPM in the context of retail.

## **1.2. Research Objectives and Questions**

The primary research objective of this thesis is to gain understanding about the factors relevant to the success of BPM in retail environment at the single process level. The secondary research objective is to be able to give concrete managerial advice about which actions to conduct to contribute to the successful BPM.

The research questions of this thesis are the following:

- What are the factors relevant to successful BPM at the single process level in retail environment from retailer's point of view?
- What kind of challenges are there related to those success factors?

Within this thesis the examination is restricted to those business processes in retail environment that are truly cross-functional by their nature and that also need input from process participants outside company's own organizational boundaries, such as suppliers of sellable products. The processes within the examination in this thesis include tasks requiring both independent and more collaborative way of working from both internal and external actors in the process. The business processes crossing company's external

boundaries adds more challenges to managing them because in addition to managing processes overlapping company's internal functions, more complexity is generated by the involvement of external actors and activities to be managed as part of the BPM (Danese et al. 2004). In the literature review the processes under examination and used for building the theoretical framework include processes such as buying and new store opening, as they fulfill the set requirements for the cross-functionality and the need to act with external actors as part of the process. For the case company's part the following processes, where the factors relevant to the success are studied with respect to the framework built based on the literature view, were chosen to be under examination:

1. Product lifecycle management process
2. Campaign management process
3. New store opening process

All of these three processes genuinely fulfill the set constraints for cross-functionality and the need for input from external actors. In addition, the buying activities, as buying processes being greatly utilized in building the theoretical framework, are included in all of these three processes and can be regarded to be quite critical in conducting the processes successfully. Also these three processes are among the most critical single processes as far as the most extensive and cross-functional business processes in the case company are concerned.

### **1.3. Structure of the Thesis**

The second chapter includes the literature review. First business processes and BPM are defined and BPM in the context of retail is gone through. In the second chapter also the theoretical framework for successful BPM in retail is built based on the existing literature.

In the third chapter research methodology is gone through. First the methodology choices and chosen research strategy are presented as well as the description about the case company and its approach to business processes and managing them. In addition, collection of empirical data and data analysis are gone through.

In the fourth chapter the results of the empirical part with respect to the previously constructed theoretical framework based on the literature review are presented. The fifth chapter includes discussion, where research questions are answered, the key findings are discussed with respect to the previous studies and recommendations are given for the case company.

The sixth chapter includes conclusions. First it is discussed how the research objectives were reached. In the sixth chapter also academic contribution, managerial implications, validity and limitations and propositions for future research are presented.

## 2. LITERATURE REVIEW

### 2.1. Definitions

#### 2.1.1. Business Processes

Companies engage in actions called business processes to accomplish a business objective or goal (Ray et al. 2004). According to Möller (2006) business processes can be regarded as organization's capabilities and the overall performance of a company is partially dependent on these ongoing business processes (Ray et al. 2004). Business processes can also be regarded as sources of competitive advantage (Trkman 2010). Business process can be defined the following way: "A series of logically related activities or tasks (such as planning, production, or sales) performed together to produce a defined set of results" (Business Dictionary 2015). Below more definitions for business process are listed in order to offer help in understanding the meaning of the term business process.

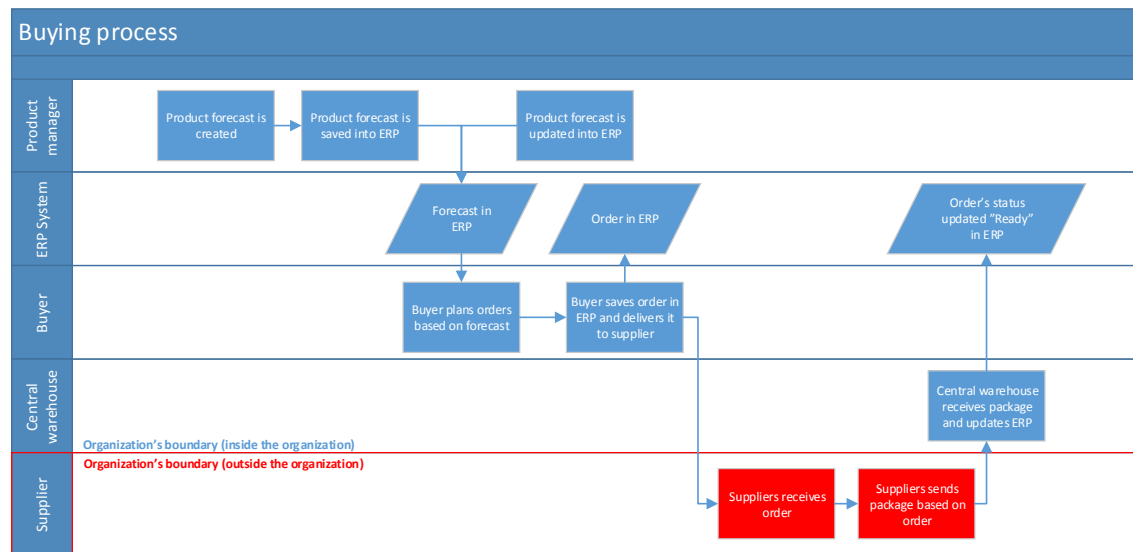
- "a set of logically related tasks performed to achieve a defined business outcome" (Davenport & Short 1990)
- "Business process consists of a set of activities that are performed in coordination in an organizational and technical environment. These activities jointly realize a business goal. Each business process is enacted by a single organization, but it may interact with business processes performed by other organizations." (Weske 2007, p. 5)
- "Business processes are market-centered descriptions of an organization's activities, implemented as information processes and/or material processes. That is, a business process is engineered to fulfill a business contract or satisfy a specific customer need." (Georgakopoulos & Hornick 1995)
- Business processes "typically separate work activities into well-defined tasks, roles, rules, procedures which regulate most of the work in manufacturing and the office." (Georgakopoulos & Hornick 1995)
- "Business processes are designed to be customer-driven, cross-functional and value-based. They create knowledge, eliminate waste and abandon unproductive work, yielding world-class productivity and higher perceived service levels for our customers." (Pritchard & Armistead 1999)

According to Abdolvand et al. (2008) the outputs of business processes should create value for customers, whereas Davenport & Short (1990) emphasize the two characteristics of processes, which are the existence of customers and the cross-organizational nature of the business processes. First, each business process has always a customer that can be either internal or external and to whom the business process outcomes are given. Second,

business processes are usually executed across both internal and external organizational boundaries. (Davenport & Short 1990) According to Weske (2007, p. 4) products that companies provide for markets are outcomes of series of interdependent activities being performed, and business processes are the key tools in organizing those activities and improving the understanding about interrelationships between them. Business processes can be performed only by humans or automatically by information systems or as a combination by both of them (Weske 2007, p. 4).

Trkman 2010 classifies business process into core processes and support processes. Core processes are the ones delivering direct value to the customer, whereas support processes do not have direct value to customers but they can have for example great strategic importance (Trkman 2010). Pritchard & Armistead (1999) divide business processes into operational, supporting and direction setting. Davenport & Short (1990) divide processes with the help of three process dimensions that are entities, objects and activities. Dimension called entities defines, whether the process has interpersonal, inter-functional or even inter-organizational characteristics. When considering the dimension called objects, processes can have a physical or informational object based on the process outcome. Process with physical object can be a manufacturing process, whereas proposal creation process with a piece of information as a process output is an example of a process with informational object. As far as the dimension called activities is concerned, processes can include operational or managerial activities. Operational processes are those executed on daily basis to support basic business purposes, whereas with the help of managerial processes and their outcomes operational processes are planned, controlled and provided with resources. (Davenport & Short 1990) However, business processes overlapping the customer interface have been recognized to be in the core of organization's success as they are the key processes in generating the cash flow and on the other hand, creating customer satisfaction (Grover et al. 1995).

In the figure 1 an imaginary and simplified business process is illustrated based on the literature review and with respect to the retail environment within the scope of this thesis. The process in the figure 1 is a simplified buying process from retailer's point of view.

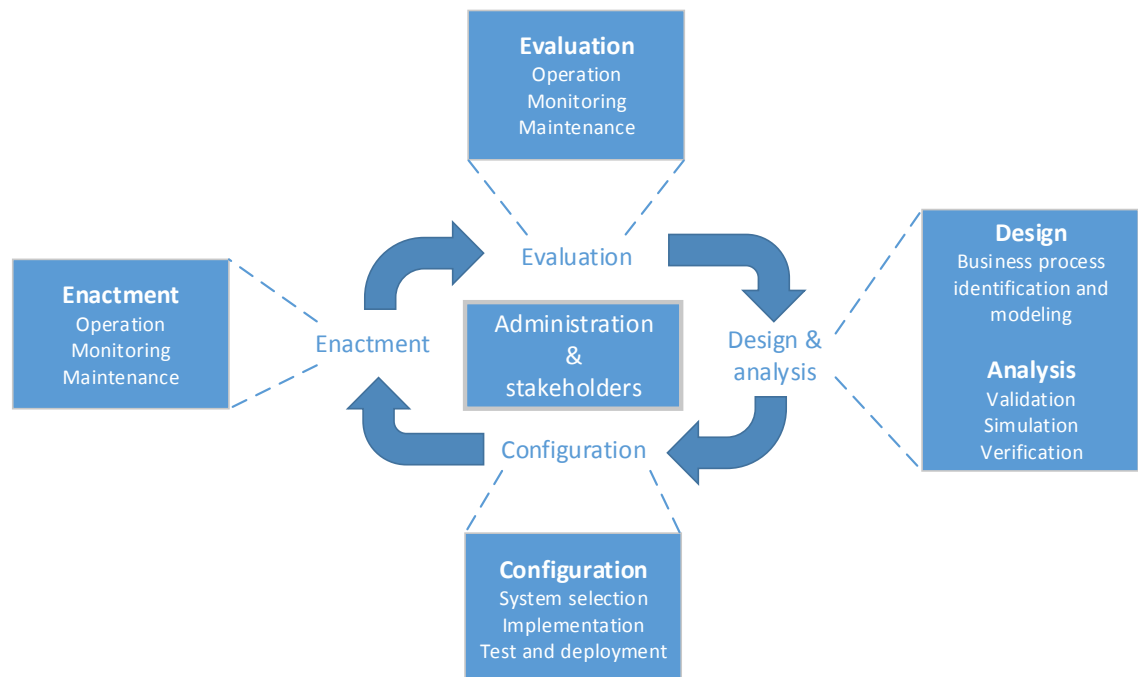


**Figure 1.** Buying process.

In the business process illustration in the figure 1 the blue and red boxes are the separate but interdependent tasks of which the process actually consists. The text in the left bar shows the process participant from a specific function or alternatively, a whole function responsible for actually executing the task in question. As an exception enterprise resource planning system (ERP System) only illustrates the system interface, not the responsibility for task execution. The tasks conducted within the buying company are blue and the ones conducted outside by an external supplier are red. The arrows describe the interdependencies between the tasks, for example the product forecast has to be created before it can be saved into ERP system.

With respect to the literature review about business processes, some key points should be pointed out in the figure 1. When considering the customer need or the business goal the buying process is supposed to fulfill, the need could be expressed as an ability to bring in the right products at the right time and in right quantities. The cross-functionality typically present in business processes is seen in the figure 1 as there are different functions responsible for executing different tasks in the process. For example, product manager is responsible for creating the forecast, whereas buyer actually orders the products based on the created forecast. The technical environment and utilization of information technology systems (IT systems) in conducting business processes is demonstrated by the ERP system's role in storing and communicating important information supporting the process execution.

Business processes can be seen to have a certain life cycle. Weske (2007, p. 11) sees the lifecycle of business process consisting of interrelated phases, which are design & analysis, configuration, enactment and evaluation. The lifecycle is illustrated in the figure 2.



**Figure 2.** Lifecycle of business processes (Weske 2007, p.12).

Design and analysis phase includes identification, review, validation and representation of business processes with the help of process models in an understandable way for different stakeholders (Weske 2007, pp. 11-13). In the configuration phase business process is implemented, and to simplify, there are two different alternatives to do this. Business processes can be implemented with strong support from IT systems, or more precisely from business process management system (BPM system). Another alternative is to implement the business processes without any help from IT, in which case the implementation is done by “set of policies and procedures that the employees of the enterprise need to comply with”. (Weske 2007, pp. 13-14)

In the enactment phase so called “business process instances” are enacted. In this phase business processes are executed to fulfill different goals and at the same time they are actively controlled by BPM system so that the whole process is executed according to the rules set in business process models. In this phase also monitoring the processes and gathering data from processes being executed become evident. (Weske 2007, pp. 14-15) In the evaluation phase business processes are evaluated and improved with the help of data available from the ongoing business processes. For example, observed bottlenecks are eliminated, roles and responsibilities are modified and based on which whole business processes are developed. (Weske 2007, p.15)

At the core of the business process lifecycle there are administration and stakeholders of business processes. As part of administration, processes are managed, stored, developed,



modelled and executed by different business process stakeholders, such as process owners, business engineers, process participants, process designers and systems architects and developers. (Weske 2007, pp. 15-17) According to Weske (2007, p.11) the order of the phases illustrated in the figure 2 and explained above is not necessarily strict, as the order is always case-specific. For example, activities in different phases may be executed concurrently or some activities may exist throughout the whole lifecycle of business processes. (Weske 2007, pp. 11-14)

### **2.1.2. Business Process Management**

BPM can be defined “as supporting business processes using methods, techniques and software to design enact, control and analyze operational processes involving humans, organizations, applications, documents and other sources of information” (van der Aalst et al. 2003). The roots of BPM can be seen to lie in the 1990s as according to Grover et al. (1995) the focus of companies on how to tackle the continuous change in the business field switched in the 1990s from portfolio management and financial restructuring into business processes. The triggers behind this change were companies’ both reactive need to handle competitive pressures and proactive urge to improve their responsiveness. (Grover et al 1995) Since this business processes have attained and are still attaining a great deal of attention.

One might argue that the first clear and dominant branch of research around business processes originating from the early 1990s has been BPR. BPR can be defined as “a deliberate (planned) change, typically enabled by information technologies (IT) in an attempt to redesign a business process to ‘achieve performance breakthroughs in quality, speed, customer service, cost, etc.’ “ (Grover et al. 1995). BPR is a complex, difficult and highly risky activity (Abdolvand et al. 2008; Jamali et al. 2011). The themes present in BPR studies have been critical success factors (Ahmad et al. 2007; Jamali et al. 2011), factors affecting the BPR success (Al-Mashari et al. 2001; Grover et al.1995), elements present in BPR projects (Al-Mashari et al. 2001) and problems confronted in executing BPR (Grover et al. 1995).

Later BPM has become more and more popular, whose origin can be traced back to BPR (Sikdar & Payyazhi 2014). Whereas BPR studies typically enlighten the aspects such as radical process change and revolutionary performance improvements with project-like attributes present (Choong 2013; Davenport & Short 1990; Grover et al. 1995; Hung 2006; Sikdar & Payyazhi 2014), BPM can be seen as a more holistic approach of how to continually manage organizations with the help of business processes with longer-term objectives (Pritchard & Armstead 1999; Sikdar & Payyazhi 2013). Although BPM has attained a great attention for a while, this area of research has been considered to be disorganized and still in its infancy (Hung 2006; Trkman 2010).

Although BPR can be seen as part of the holistic management approach BPM, the gap between radical BPR and more continuous BPM has become smaller as in some studies focused tightly on BPR the challenging and unrealistic radical aspects traditionally present in BPR studies have been acknowledged and it has been stated that BPR is evolving towards a more temperate and realistic way (Grover et al. 1995). Also Al-Mashari et al. (2001) has pointed out the need for more holistic approaches in BPR, where the changes are done along the continuum of BPR initiatives.

Along the increased attention on BPM also BPM systems have received attention in the academic field. In the research around BPM it varies, whether an explicit software especially meant for managing processes is used, whereas in the research in the area of BPM systems an explicit software for managing processes exists. (van der Aalst et al. 2003) For example van der Aalst et al. (2003) defines BPM system as “a generic software system that is driven by explicit process designs to enact and manage operational business processes”. Closely related to BPM systems, workflow management systems (WfMS) have often been discussed, which can be seen as simpler predecessors of BPM systems, which are, however, still used by organizations to manage their process workflows (van der Aalst et al. 2003). According to van der Aalst et al. (2003) workflow management is actually included in BPM systems so that the workflow management properties enable the execution of processes, but in addition, BPM system offers tools for other useful actions such as business process analysis and more advanced monitoring of the ongoing processes.

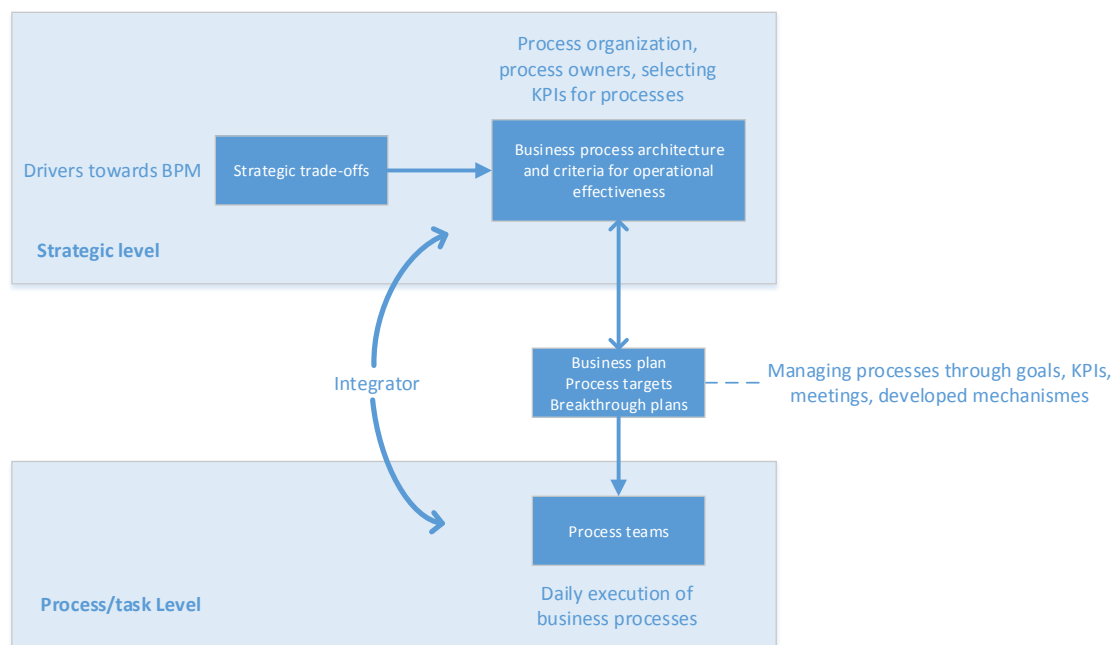
Along the way some other areas closely related to BPM have attained great attention, such as process modelling (van der Aalst et al. 2003; Bandara et al. 2005) and business process orientation (BPO) (McCormack 2001; McCormack et al. 2009; Reijers 2006). For example, BPO organization can be defined “as one that emphasizes processes rather than hierarchies, and that places a special emphasis on outcomes and customer satisfaction.” (McCormack 2001). According to Reijers (2006) BPO makes business processes in organizations more transparent. It can be concluded that in BPO organizations the focus is rather on cross-functional processes than on separate functions. The research around BPO has dealt with BPO’s effects and roles in BPM success (McCormack 2001; Reijers 2006) and organizations’ location on the BPO continuum (McCormack et al. 2009).

As pointed out before, BPM is not only about making radical one-time process improvements, but it can be seen as a holistic approach to managing organizations, where managing processes is executed long-term (Armistead & Machin 1997; Pritchard & Armistead 1999). BPR including process improvements with radical one-off nature can actually be classified as BPM initiatives (Hung 2006) and thus be a component of BPM. According to Hung (2006) BPM is actually a combination of total quality management (TQM) and BPR and primarily aims at improving business processes and is in most cases suitable approach to achieve performance improvements. Küng & Hagen (2007) consider BPM

as a continuum, which is always case-specific for every organization conducting it and BPM in practice can mean anything between process-related knowledge and ultimate technological and organizational solution taking into account all the relevant aspects of BPM.

BPM has often been considered to be the best practice management principle for companies in helping to sustain competitive advantage (Hung 2006) and organizations have felt BPM to be one way to achieve business Excellence (Pritchard & Armistead 1999). Need to improve responsiveness and flexibility, increased competitive threat and need for quality improvements have all been mentioned as drivers for BPM (Pritchard & Armistead 1999; Sikdar & Payyazhi 2014), although some organizations have admitted that engaging in BPM to be simply the obvious and right thing to do as ignoring it would place organization in danger of losing their competitive advantage (Pritchard & Armistead 1999).

According to Trkman (2010) “BPM should translate a firm’s strategy into specific needs and enable the execution of the strategy”. Weske (2007, p. 5) defines business process management including “concepts, methods, and techniques to support the design, administration, configuration, enactment, and analysis of business processes” and sees the actual base of BPM lying in the “explicit representation of business processes with their activities and the execution constraints between them”. Even without BPM processes exist in any organization, but BPM makes implementing strategy to task level effectively possible, as BPM transforms outcomes of business planning into process goals with the help of integrator activities (Pritchard & Armistead 1999), which is illustrated in the figure 3. This is supported by the view that BPM’s core to competitiveness lies in the alignment of strategic priorities with business operations (Hung 2006).

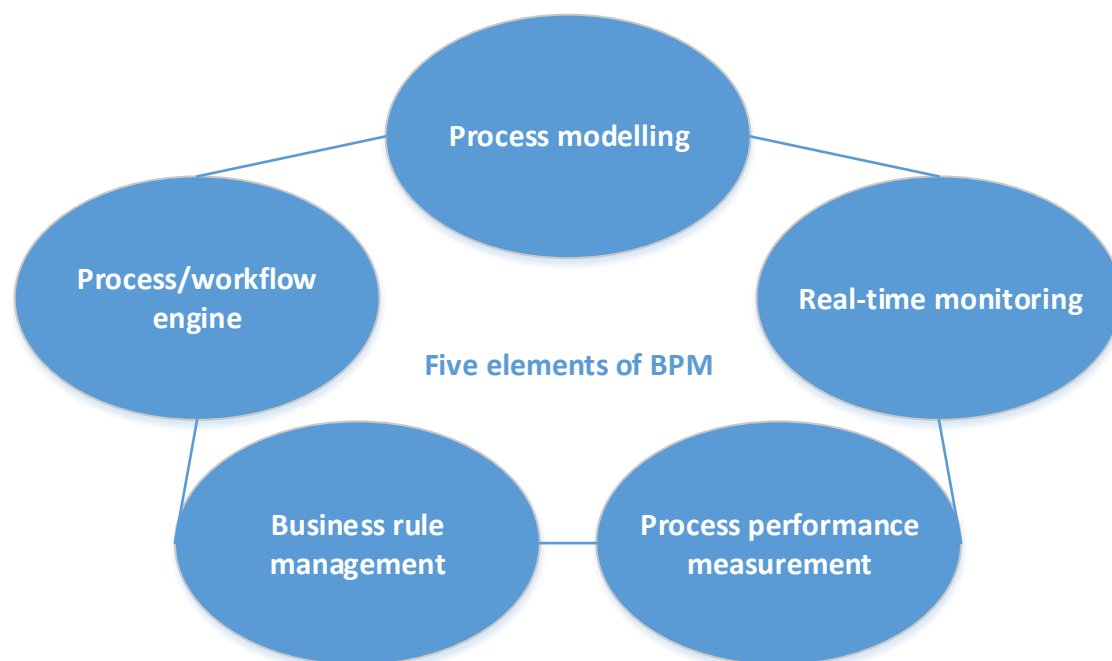


**Figure 3.** Organizational framework for BPM (adapted from Pritchard & Armistead 1999).

In the figure 3, at the top level first the drivers make organization transform to conduct BPM, which is supported by the consideration about the strategic trade-offs related to the transformation (Pritchard & Armistead 1999). According to Pritchard & Armistead (1999) the components of BPM to be conducted are the following:

- Identifying key business processes related to external market value chain
- Developing business process architecture
- Appointment of process owners
- Creation and implementation of process metrics, key performance indicators (KPIs) and process-specific performance monitoring
- Process improvement targets are continually observed and improvement actions executed
- Planning, training and communication around process models

Sikdar & Payyazhi (2014) consider BPM as a holistic management philosophy including elements from process modelling, change management and also business process reengineering. Küng & Hagen (2007) take a more IT-oriented way in defining BPM and recognize five elements of BPM, which are process modelling, process or workflow engine, real-time monitoring, process performance measurement and business rule management illustrated in the figure 4.



**Figure 4.** Elements of BPM (adapted from Küng & Hagen 2007).

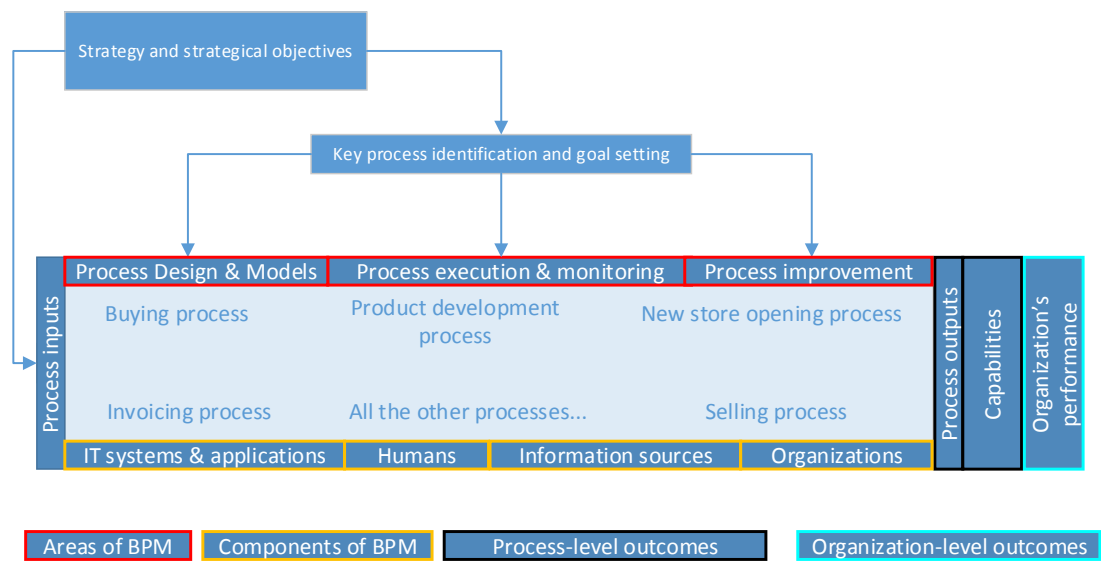
Process modelling includes modelling the processes into process models that are ran either manually by humans or automatically by a process or workflow engine. Bandara et al. (2005) describes business process modelling being all about encompassing “all graphical representations of business processes, and related elements such as data, resources, etc., as employed for diverse purposes including process documentation, process improvement, compliance, software implementation or quality certification, among others”. Especially the role of business process modelling among the first steps on BPM continuum is present in previous studies (van der Aalst et al. 2003; Küng & Hagen 2007).

Process or workflow engines are IT systems, which guarantee the performance of processes according to process models. Real-time monitoring helps to spot the state of ongoing processes easily and real-time. Process performance measurement is used to determine the success of business processes according to agreed KPIs, whereas business rule management is about storing and managing business rules with the help of a separate business rule engine. (Küng & Hagen 2007)

However, no BPM is without challenges. The challenges are versatile as they can be related to organizational, managerial, technological and social problems (Trkman 2010). In the survey conducted by Pritchard & Armistead (1999) limited understanding of BPM and inconsistency in the BPM approach across the whole organization were found to be the biggest difficulties in implementing BPM. Multiple problems in BPM origin from the evolution and variability of business processes, which means it is important for BPM not be a one-time project but a continuous improvement effort of business processes (Trkman

2010). Also focus solely on processes with insufficient consideration about other important factors, such as technology, structure, communication and people, are one of the reasons behind BPR failures (Grant 2002) and this narrow focus has also been suggested as the main reason for BPM to fail (Trkman 2010). Especially the studies focusing in BPR have reported a great proportion of failed BPR initiatives, the percentage being even as high as 80% (Grover et al. 1995; Sikdar & Payyazhi 2014).

Based on the literature review about BPM gone through a holistic interpretation of BPM is illustrated in the figure 5.



**Figure 5.** BPM based on literature review.

As illustrated in the figure 5, in the heart of BPM there are the business processes to be managed and executed. However, the process inputs, in other words the motives for processes to exist, origin from the organization's strategy and strategic objectives. Let's take an example of a retailer, who has decided in its strategy by using the strategy diamond by Hambrick & Fredrickson (2005) to differentiate itself with an excellent customer service in its daily face-to-face customer encounters. In this case it is pretty obvious that there are clear inputs for certain processes to exist in the organization, such as customer service process. Strategic decisions influence the goal setting at tactical level, which in turns effects the whole BPM scene within an organization. For example, the goal setting at tactical level may influence certain processes to be taken under reengineering and improvement.

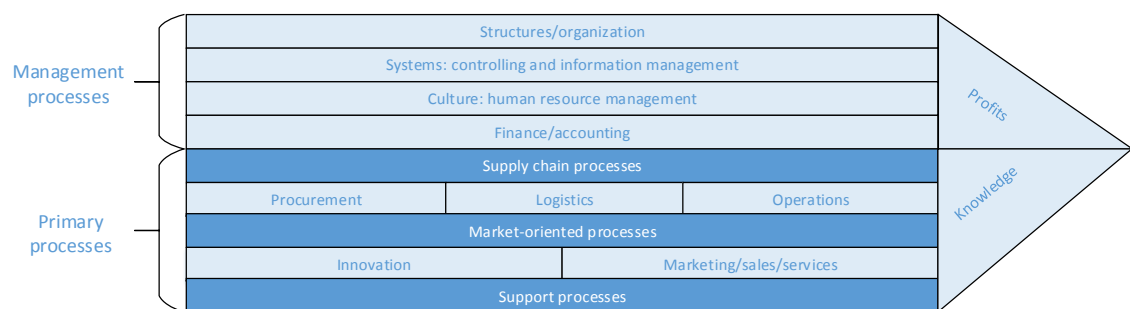
Areas of BPM, which are circulated with red color in the figure 5, are the areas into which the BPM can be divided. These areas are process design and modelling, daily process execution and monitoring including the process goals and process improvement, which includes the more radical aspect of the BPM also known as BPR gone through before within this thesis. With the help of components of BPM, which are circulated with yellow

color in the figure 5, the actual management of business processes is conducted and these include IT systems & applications in use, humans participating in the business processes, information sources utilized and organizations taking part in the processes.

The processes, when managed and executed, may produce outputs beneficial for the organization. For example, new store opening process produces new store opened for consumers. In the best case, if the management of the process is successful and customers entering the newly opened store are amazed and indented, the successfully conducted new store opening process acts as a capability for the organization. The processes and especially the outputs of them acting as capabilities can be seen as process level outcomes in the context of BPM, as shown in the figure 5. One step further is organizational-level outcomes such as organizational performance as expressed in the figure 5. Achieving organizational performance from BPM's point of view is partly a result from successfully managed processes contributing to the organization's capabilities, which further affect the performance at the organizational level.

### 2.1.3. Business Process Management in Retail

In in the context of retail the drivers behind and motives for engaging in BPM are similar to the general ones presented earlier and can be the following: a need to find new ways to gain profitable growth and increase internal efficiency, increased competition and sky-high customer expectations (IBM 2016). However, retail environment has its own special characteristics, when it comes to business processes and managing them. At company level, or in company's supply chain as Swoboda et al. (2008) expresses this level of examination, retail unit deals with the processes illustrated in the figure 6. Although Swoboda et al. (2008) acknowledge the possible differences in supply chains for retail firms operating in different industries, the figure 6 can be seen as a generalized model of business processes in a retail supply chain (Swoboda et al. 2008).



**Figure 6.** Business Processes in retail value chain (Swoboda et al. 2008).

As illustrated in the figure 6, Swoboda et al. (2008) divides processes constituting retail value chain into management processes and primary processes. Primary processes are further divided into supply chain processes, market-oriented processes and support processes. Market-oriented processes including market analysis, innovation and recognizing

trends can be seen as an initial phase in managing retail value chain and with the help of which the spotted needs are taken into account inside the company. These are followed by other market-oriented processes, such as creating shop design, planning assortment and so called customer-oriented processes. Supply chain processes include purchasing, order management and stock management among others. Roughly the reciprocal order of these two process classes is so that the market-oriented processes are in the beginning and in the end, whereas the supply chain processes fall into the space between. Management processes related to structures, systems, culture and finance are not only relevant to single processes discussed above, but also for the whole company. (Swoboda et al. 2008) This thesis focuses especially on successful management of those retail processes that fall into the categories of supply chain and market-oriented processes with respect to the figure 6.

However, especially in retail environment the research related to BPM has undergone somewhat different path completely separately from the branch of BPM mainstream gone through typically available in journals such as business process management journal. More precisely, in retail environment the term BPM is actually rarely explicitly present and a well-developed concentration of research into managing single processes seems to be lacking. Reasons for this gap can be many, which may be identifiable based on the existing literature. For example Burt et al. (2011) argue that the focus of retail has traditionally been at the front facing customers, and much less attention has been paid to the contribution of back end operations such as systems and processes, from which on the latter one the focus of this thesis is. Moreover, Burt et al. (2011) argue that the research themes around retailing usually follow the ones present in general international marketing, due to which there may not have been clear inputs for research about managing processes. Although in practice the shift from producers to retailers have been ongoing for a while (Randall et al. 2011), according to Defee et al. (2009) retailer perspective has been neglected among research, which may have also effected the lack of clear BPM research in retail.

In retail environment there are, however, studies focusing on processes, or as expressed in the references also utilized within this thesis, repetitive sets of actions or tasks, which can be interpreted to fit well the context of BPM. The studied single processes utilized within the theory of this thesis from success's point of view include buying (e.g. Hult et al. 2000; Johansson 2002; Swindley 1992) and new store opening (e.g. Sandberg 2014). Also studies taking wider perspective to the processes under examination without any restriction into certain processes exist, such as the one conducted by Berman & Thelen (2004). Next some of the processes, which are utilized in creating the theoretical framework within this thesis, are discussed based on the existing literature to enlighten the BPM scene present later within this thesis.



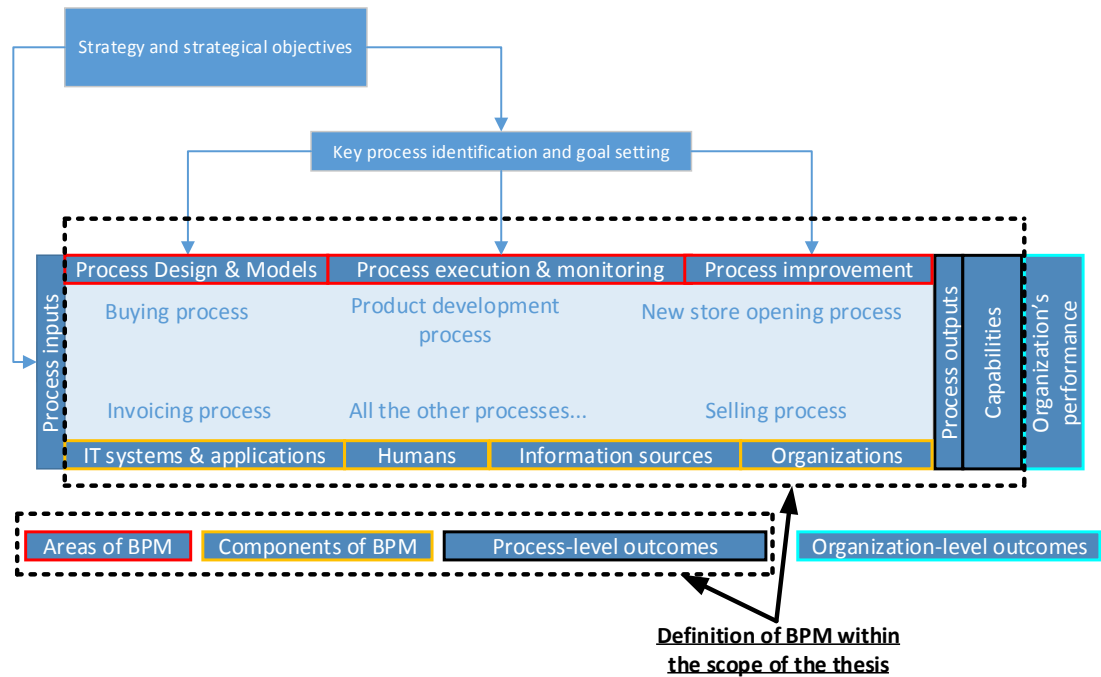
One of the processes, which is well present in the retail literature relevant for this thesis and is vastly utilized in creating the theoretical framework, is buying. Retail buying processes can be seen to contain activities and even single steps related to problem identification, product specification, supplier evaluation and supplier selection, where activities are traditionally on buyer's main responsibility but they are strongly supported and sometimes challenged by both company's internal functions and external actors and resources, where cross-functional way of working is evident. (Johansson 2002)

Another process highly relevant for this thesis is new store opening process. New store opening can be seen to have a central role in many retailing firms. New store opening is a truly cross-functional project (Sandberg 2014), which includes multiple subprocesses such as market planning, store location planning, contract writing and renovation and on-going business execution (Rosenblum 2005, see Sandberg 2014). Executing new store opening process needs collaboration over organizational boundaries, as both different internal functions and external suppliers have to be involved and linked together in the process. (Sandberg 2014)

## **2.2. Successful Business Process Management in Retail**

### **2.2.1. Introduction**

In the following subchapters the framework for successful BPM in retail is constructed based on the existing literature according to the constraints set in the chapter 1.2. In the figure 7 the scope of BPM according to these set constraints valid from now on within this thesis is illustrated by black dashed line.

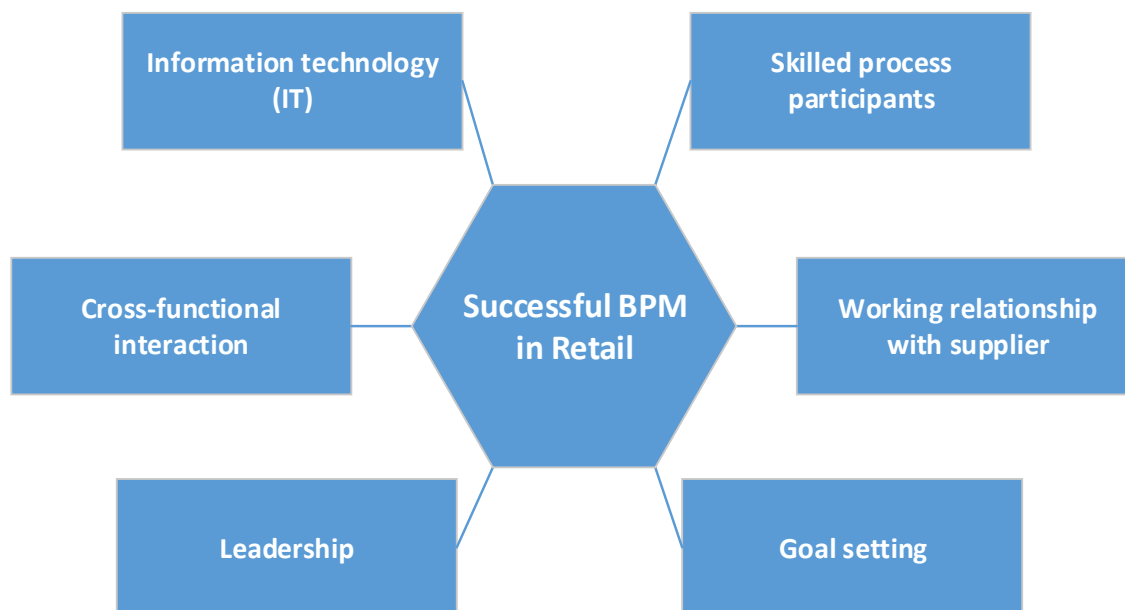


**Figure 7.** *BPM within the scope of this thesis.*

As it can be seen in the figure 7, the BPM to be examined consists of managing processes at process level and how single processes are managed successfully within an organization. In addition, the focus is on already existing and ongoing business processes within an organization.

Next the framework about successful BPM in retail is constructed based on the existing literature in the following subchapters, which follow the division of the framework into its subparts, i.e. success factors. The relevant existing literature in the context of retail is gone through from the BPM perspective presented earlier in this thesis. However, in a great deal of references used the BPM perspective does not have such a strong presence and the utilization within this thesis is done by analyzing the contents of the references using the presented BPM perspective. This kind of utilization is simply due to the fact, as depicted in the chapter 2.1.3, that clear BPM perspective in retail with the level of examination used in this thesis in retail environment has obviously been lacking in the previous research and broadening the set of references this way has made it possible to construct more comprehensive and reasoned theoretical framework.

In the figure 8 the framework for successful BPM in the context of retail created based on the existing literature is illustrated.



**Figure 8.** Framework for successful BPM in retail.

As it can be seen in the figure 8, the framework is divided into six separate success factors including information technology (IT), cross-functional interaction, working relationship with supplier, skilled process participants, leadership and goal setting. Next these success factors are separately gone through more precisely.

### 2.2.2. Information Technology

The positive effects of utilizing IT on retail buying have already been recognized by earlier and relatively old studies IT being the enabler for better and faster usage of available information and automatization of certain activities (Swindley 1992), but also in the newer research there have been similar arguments (Berman & Thelen 2004; Fiorito et al. 2010). Fiorito et al. (2010) concludes simply that “While the buyer’s main responsibilities and tasks have not changed, technology has transformed the manner, efficiency, and time in which they are executed”. Also Johansson & Burt (2004) have pointed out the role of IT in viewing and managing different information flows in buying processes in the multi-channel environment.

Berman & Thelen (2004) studied practices among successful retailers and found out that in order to successfully run their operations and processes an advanced information system enabling access for all the personnel to the retailer’s database is required. For example, inventory, customer and pricing database need to be accessible for all the personnel in different parts of the multi-channel infrastructure so that all the information related to customer orders can be handled regardless of where the product is sold, what the buying method is and where the product is possibly to be shipped to. Database described above is also crucial in evaluating the profitability of different channels. (Berman & Thelen 2004) Also Tilokavichai et al. (2012) found prove for their hypothesis that retail firms

that have adopted logistics information system meant for managing the information flows in activities such as purchasing and demand forecasting had better logistic performance compared to the ones without such a system.

In the case study conducted by Johansson (2002) retailers felt that imperfect utilization of different kind of data with the help of IT was clearly limiting retailers' capabilities to do something amazing in its buying processes and forced workers to do a lot of time-consuming, manual and unproductive work that could be automated with the help of IT. The companies also felt that better utilizing of IT would lessen the need for their current non-digital information exchange and face-to-face meetings, which were felt to be too time consuming and on the other hand automatable (Johansson 2002). Closely related to the need for lessening non-digital information exchange, Fiorito et al. (2010) argue that with the help of electronic data exchange (EDI) buyers are able to handle a great deal of information, such as purchase orders and reviews, faster and also in a more reliable way compared to using physical documents. Using EDI in handling information results in more efficient buying process as money and time is saved (Marcussen 2006). Moreover, according to Fiorito et al. (2010) from buyer's perspective, information possibilities enabled by IT have surpassed the automating possibilities as far as the efficiency perspective of buying processes are concerned. Also Lyu et al. (2010) point out the IT's supporting role in collaboration between different actors in the whole retail supply chain and processes and activities in them through giving supply chain members access to mutual information existing in the supply chain. Despite the occasional hype around IT in retail buying some take more moderate approach arguing that understanding the human component in utilizing modern technology in buying activities is a prerequisite for seizing the possibilities enabled by IT (Fiorito et al. 2010).

As it seems based on the literature review, IT's role in successful BPM in retail seems to be fairly clear and well-reasoned based on the findings made above. IT contributes to the success through bettering collaboration, automating tasks, making task execution more reliable and faster, making information available and increasing agility in managing and executing the processes.

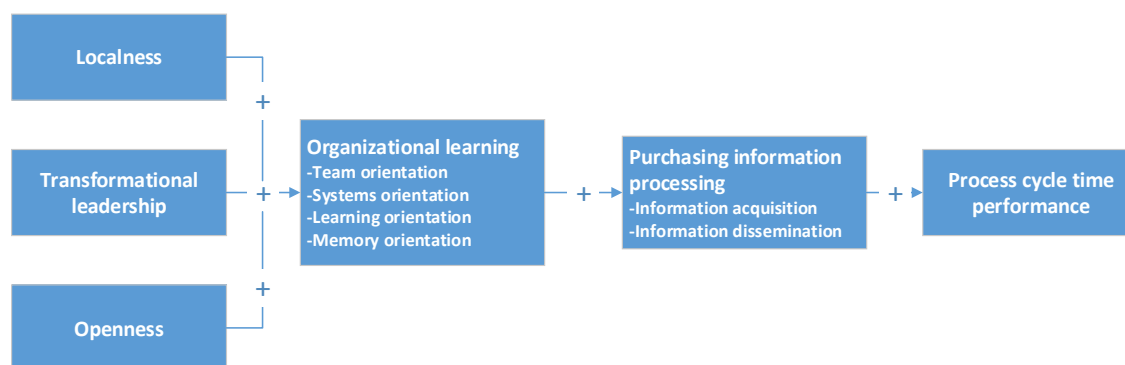
### **2.2.3. Cross-Functional Interaction**

Although the criticality of the present cross-functionality in the processes within the scope of this thesis is rather evident and in many cases only implicitly present, also some relatively new studies, such as those conducted by Johansson & Burt (2004), especially emphasize the importance of involving people with different functional expertise in the early phases of ongoing processes. Johansson & Burt (2004) argue that this involvement in the case of buying processes ensures that the new products taken into the retailer's assortment will have all the qualities that retailer needs there to be. According to Sandberg (2014) standardization of work in the case of new store opening process ensures the standardized

way of conducting tasks through agreed ways of communication, meetings and unified ways of monitoring the progress of the process. All these areas of which standardization of work consist of mentioned by Sandberg (2014) can be seen as part of cross-functional interaction in the highly cross-functional new store opening process, where communication, meetings and monitoring are clearly cross-functional as well. Lyu et al. (2010) found out in their study about different replenishment mechanisms between retailer and supplier that the mechanisms of a more collaborative nature were related to the smaller so called total cost of retailer compared to the non-collaborative mechanisms. The collaborative replenishment mechanisms means most of all mutual sharing of sales and inventory data between supplier and retailer but also streamlining the processes between retailer's store level and supplier by removing middlemen actions between these two ends typically set, required and executed by head office personnel. Especially the collaborative nature of information sharing over functional or even organizational boundaries can be regarded to be in the very core of cross-functional interaction. (Lyu et al. 2010)

Johansson & Burt (2004) found out in their case study among UK, Italian and Swedish retailers about handling buying processes that the key in tackling the increased process complexity due to private brand presence was so called high level of internal integration. Internal integration defines how the tasks of a process are actually organized internally within an organization. Vertical integration as a component of the internal integration means the degree of coordination between retailer's stores and retailer's central operations or alternatively, between the retailer and its supplier. In the case of high level of vertical integration a great deal of coordination exists, which can be regarded as part of cross-functional interaction. (Johansson & Burt 2004)

Also the findings made by Hult et al. (2000) support the role of cross-functional interaction as a contributor to the purchasing process success when considering process cycle time as metrics for success. In his study Hult et al. (2000) use definition for cycle time being the time between the initiation and total completion of a purchasing process introduced by Wetherbe (1995), and moreover, here shorter cycle time is regarded as source of competitive advantage and thus, metrics for purchasing process success. The figure 9 illustrates the findings made by Hult et al. (2000) about factors affecting performance of purchasing process cycle time. The plusses illustrate the positive effect of one factor on another. Next the relevant factors for cross-functional interaction present in the figure 9 are gone through more precisely. The factors relevant for other success factors present in the figure 9 are gone through later within this thesis.



**Figure 9.** Factors contributing to purchasing process cycle time (adapted from Hult et al. 2000).

As shown in the figure 9, Hult et al. (2000) found out that information dissemination, which means the exchange of information about process's activities and interdependencies within the purchasing process participants (Jaworski & Kohli 1993), as part of the purchasing information processing affects directly and positively the performance of purchasing process cycle time. Furthermore, Hult et al. (2000) found out that purchasing information processing is positively affected by organizational learning consisting of team and system orientation among others. Team orientation means collaboration and cooperation between the process participants in process activities, whereas system orientation means the degree to which the process participants stress the comprehensive picture of ongoing activities and the justification of the existence of those activities. Moreover, organizational learning is positively affected by localness and openness. Localness in the context of the study conducted by Hult et al. (2000) means organizational culture, where decision making is done in a decentralized way, job responsibilities are rather flexible and a great deal horizontal and interdependent communication takes place within the organization. In an environment with openness both participativeness and reflectiveness take place. When participativeness exists, actors in the process are free or even encouraged to share their own ideas and thoughts about the ongoing processes in its respective organization. Reflectiveness means that the participativeness presented is truly perceived, experienced and is felt proud of within an organization (Hult et al. 2000). All the factors gone through above including information dissemination, team and systems orientation, localness and openness, which have either direct or indirect effect on the cycle time performance, can be seen as part of cross-functional interaction.

Randall et al. (2011) found out in their study about supply chain issues and supply chain capabilities needed to gain competitive advantage among retailers that among the most cited company's internal challenges were the coordination and collaboration challenges between different functions together with complex and varying internal stakeholder needs, which only reflect the importance of cross-functional interaction between the functions when executing daily business processes. In their study about practices among suc-

successful multi-channel retailers Berman & Thelen (2004) found out that the deficient communication may result in outputs of processes lacking cohesiveness in terms of price differences along different sales channels.

Johansson (2002) came to the conclusion based on a Swedish case company that regardless of the company's cross-functional way of executing its buying processes, the organization was lacking true integration meaning that persons were not always totally aware of what people in other functions participating in the process were doing, which resulted in work being done multiple times and feeling of being left behind by competitors. In the same study by Johansson (2002) a British case company was an example of conducting its buying processes cross-functionally in a dynamic and a low complex way, where function managers were interacting continuously in different phases of buying process, decision-making was done locally by functions and most of all, every person in every different function was aware of one's own and others' responsibilities in the process (Johansson 2002).

Cross-functional interaction including communication, collaboration, coordination, understanding one's own as well as others' roles and simply involvement of different functions in the process seems to have a clear role in successful BPM in retail environment. Also the findings illustrate the negative consequences if proper cross-functional interaction is not taking place, which only emphasize the important role of cross-functional interaction in retail business processes.

#### **2.2.4. Working Relationship with Supplier**

Not only well working cross-functional processes within a retailer with people from different functions that continuously co-ordinate activities in the process is a must for an efficient buying process, but also seamless and well-working interaction between retailer and supplier seems to be one of the prerequisites for successful buying process (Johansson 2002). Moreover, da Silva et al. (2002) argue that it is crucial for retailers to have reliable relationships with their suppliers especially in the buying scene so that for example promised delivery times can be trusted and worked based on, although retailers should not necessarily depend on suppliers as far as innovative processes in terms of creating new products are concerned. Also Takashima & Kim (2016) argue that due to the increased complexity in the area of retail logistic operations from retailer's point of view it is critical to be assured that the external suppliers have all the necessary capabilities and expertise to support retailer's complex operations and processes.

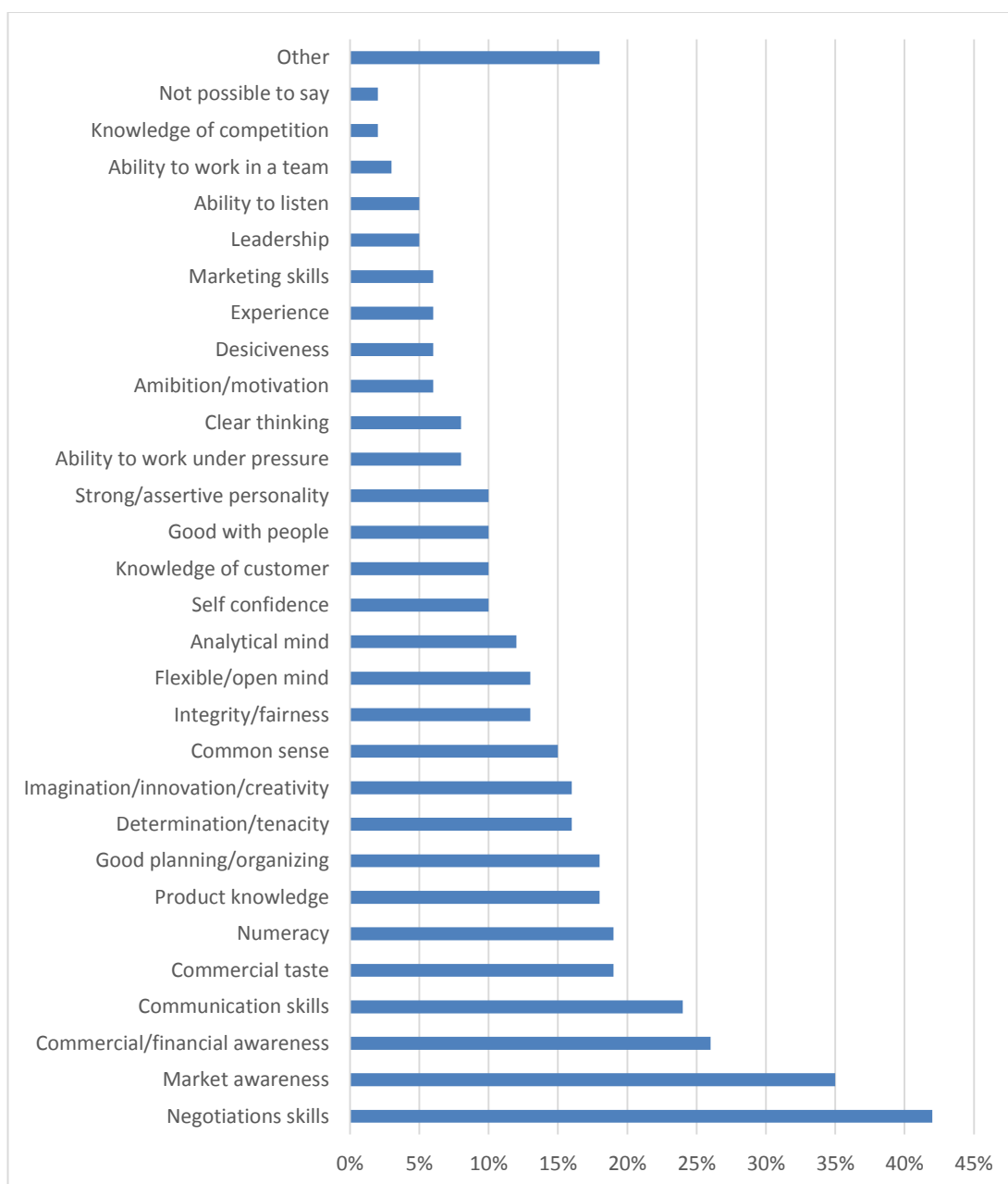
Based on above, working relationship with supplier, part of which these external suppliers are performing well and promises made can be trusted, has positive effects on the perfor-

mance of the process. However, one might quite self-evidently argue that without working relationships with suppliers it is extremely challenging for a retailer to manage and conduct its processes involving major tasks executed by external suppliers successfully.

#### **2.2.5. Skilled Process Participants**

According to Sandberg (2014) different persons from different functions involved in the process have to have the required know-how, expertise and routine and they must be trusted by the person in charge of the process so that the tasks within the processes can be successfully conducted. The figure 10 shows the most important characteristics of a buyer based on a survey conducted by Swindley (1992). The figure 10 is not supposed to provide a holistic list of attributes needed from buyer as part of buying processes, but to shed light on the set of different kind of personal skills required in different phases in buying processes.





**Figure 10.** *The most important characteristics of a retail buyer (Swindley 1992).*

The percentages in the figure 10 are the relative amounts of respondents who considered the characteristic in question important for an effective buyer. For example, the seven most cited characteristics in the figure 10 are negotiations skills, market awareness, commercial and financial awareness, communication skills, commercial taste, numeracy and product knowledge. Even only these seven mentioned characteristics are quite different to each other and they cover a wide range of different areas of expertise. The rest of the characteristics in the figure 10 only emphasize this observation. Thus, participation in buying processes as a buyer is a demanding task requiring many different personal characteristics or skills that can, however, be learnt (Swindley 1992).

Multiple factors needed to be analyzed and taken into account as part of the buying process and the always present subjective nature of buying (da Silva et al. 2002) only reflects the personal skills needed in executing activities and tasks in the process. For example, when choosing the supplier as part of the buying process, according to da Silva et al. (2002) the factors needed to be taken into account in making the decision include the total cost of the product, quality of the product, delivery time, supplier's responsiveness to requests, supplier's innovative ability and supplier's ability to provide good design ideas for the products. Hult et al. (2000) found out that so called memory orientation as part of organizational learning, as shown in the figure 9, positively affects the performance of purchasing process cycle time indirectly via purchasing information processing. In the context of the study by Hult et al. (2000) memory orientation means communicating and distributing of knowledge in purchasing processes (Hult 1998). Communicating and distributing knowledge about purchasing processes also emphasize the need for special skills to be present in the buying process.

The importance of mutual adjustment for new store opening process pointed out by Sandberg (2014) can be seen to result from skilled process participants. Mutual adjustment allows the adaption to the actual situation by acting differently compared to the process model, if a situation so requires. Mutual adjustment is a must, because no matter how standardized the processes are, there always exists the possible need to consider every situation and adapt to it by improvising in terms of decisions and ways of conducting activities. To illustrate this in the context of new store opening, let's consider a situation, where a couple of weeks before the actual opening a few suppliers inform that they cannot supply the ordered products according to agreed schedule, which results in panic within the relevant functions of retailer. In cases like this solutions of ad hoc nature have to be conducted by the process participants, and properly done this kind of mutual adjustment makes the successful store opening possible according to retailer's original schedule even with slightly different product assortment as was originally planned. (Sandberg 2014)

It seems that the retail processes gone through above cannot be executed totally with the help of IT and different skills are required from the process participants, processes are far from exact science and those decisions made especially by buyers in choosing the supplier may have longitudinal both vastly positive and negative effects on retailer's performance (da Silva et al. 2002). Thus, it can be argued that there is an obvious need for skilled process participants in the successful BPM in retail.

#### **2.2.6. Leadership**

Sandberg (2014) emphasizes the role of direct supervision and standardized norms, which can be seen to be part of leadership, as mechanisms of highly important coordination in the new store opening process. With direct supervision a named participant in the process,

for example project manager, keeps track on the ongoing process and intervenes by demanding more actions and offering help if necessary. Standardized norms offer support by sharing beliefs and values among process participants through stakeholder meetings and necessary support from top management. (Sandberg 2014)

Hult et al. (2000) found out that transformational leadership positively affects the performance of purchasing process cycle time indirectly via organizational learning and purchasing information processing, as shown in the figure 9. Leader conducts transformational leadership through attributed charisma, inspirational leadership, individualized consideration, intellectual stimulation and idealized influence. (Hult et al. 2000)

Based on above leadership can be seen as a relevant factor to the BPM success. Form of the useful leadership can vary, as it can include direct supervision, meetings, support from superiors and charismatic characteristics of the leadership conducted.

### **2.2.7. Goal Setting**

Sandberg (2014) argues that as one of the coordination mechanisms in the new store opening process the standardization of output makes all the participants in the process clear about the objectives of process outcomes, such as predefined product assortment, standardized layout of the store and opening date. For example, in the case of new store opening in the study conducted by Sandberg (2014) with a standardized layout of the store and predefined product assortment it is naturally much easier to order the right amounts of products to the new store as the products needed and space available in the store are well-known. With a known opening date and possibly with separate schedules for functions responsible for executing different phases and activities in the process the division of work becomes clearer and most importantly, everyone knows when the tasks, which need to be done before the opening can take place, have to be conducted. Standardized outputs may also be helpful in avoiding misunderstandings and conflicts between functions as everyone is working with a same goal clearly in mind. (Sandberg 2014)

In support of the findings made by Sandberg (2014), Hult et al. (2000) found out that information acquisition, which means generation of available information on needs and preferences of the customers of the purchasing processes (Jaworski & Kohli 1993), as part of the purchasing information processing affects positively the performance of purchasing process cycle time, as shown in the figure 9. It can be argued that these findings made by Hult et al. (2000) tell about the importance of understanding the goals of the purchasing process, as knowing the needs and preferences of the customers of the process can be interpreted to work as goals for process participants.

Cachon & Kök (2007) studied the results of different assortment planning process management approaches. It was found out that the common decentralized approach, where category managers are responsible for maximizing the profits of their own categories,

results more likely in lower product variety, higher prices, less attractive categories in the eyes of customer and profits less than optimal, and thus cannot be considered to be the best way to manage category management process in creating the best process outcomes possible. Cachon & Kök (2007) argue based on their quantitative analysis that a more centralized approach, where decisions are made across the whole assortment consisting of different categories, would produce more optimal process results in terms of total profits. One way to transfer the category managers' attention to making decisions based on the whole assortment instead of each one's own categories might be defining process-wide goals supporting this.

The role of goal setting is important for successful BPM in retail environment based on above. With clear goals set and communicated process participants are working together towards the same process outcome, conflicts can be avoided and profits maximized. The findings made by Cachon & Kök (2007) can be interpreted to support the management of processes by using goals that are more process-specific instead of separate and possibly contradictory goals given for different process participants.

#### **2.2.8. Summary**

The table 1 shows the references and the examined business processes or the repetitive sets of actions, based on which the framework for successful BPM in retail with separate success factors presented in the figure 8 was created and gone through more deeply in the previous subchapters. In addition to this, in the table 1 each success factor's base of identification and relation to success are shown. Success factor's base of identification tells whether the importance of success factor is based on empirical observation, conclusion or merely a general statement without deeper reasoning. The relation to success means whether the relation between the success factor and the actual success has been identified objectively or subjectively. Objective relation to success means that the relation to success has been proved through quantitative analysis, whereas subjective relation is based on qualitative analysis.

**Table 1.** List of success factors relevant to successful BPM in retail.

Reference	Process / Series of Repetitive Actions	Success factor Class	Success Factor Description	Success Factor's Base of Identification	Relation to Success
Berman & Thelen (2004)	Retailer's processes generally	IT	IT system as an open database accessible for all the personnel and tool to handle all the relevant information	Empirical observation	Subjective
Berman & Thelen (2004)	Retailer's processes generally	IT	IT system as an open database enabling profitability evaluations of different channels	Conclusion	Subjective
Berman & Thelen (2004)	Retailer's processes generally	IT	IT as enabler for better information usage	Empirical observation	Subjective
Berman & Thelen (2004)	Retailer's processes generally	IT	IT facilitates automatization of activities	Empirical observation	Subjective
Fiorito et al. (2010)	Buying	IT	IT as enabler for better information usage	Conclusion	Subjective
Fiorito et al. (2010)	Buying	IT	IT facilitates automatization of activities	Conclusion	Subjective
Fiorito et al. (2010)	Buying	IT	Electronic data exchange increases information processing speed and reliability	Statement	Subjective
Johansson & Burt (2004)	Buying	IT	IT as a management tool for information flows	Conclusion	Subjective
Johansson (2002)	Buying	IT	Insufficient utilization of IT preventing from doing something amazing as part of the process	Empirical observation	Subjective
Johansson (2002)	Buying	IT	IT enables automatization	Empirical observation	Subjective
Johansson (2002)	Buying	IT	IT lessens the need for face-to-face meetings and non-digital information exchange	Empirical observation	Subjective
Lyu et al. (2010)	Supply chain processes generally from retailer's point of view	IT	IT has a supporting role in collaboration between process participants	Statement	Subjective
Lyu et al. (2010)	Supply chain processes generally from retailer's point of view	IT	IT enables access to mutual information existing in the databases of the supply chain	Statement	Subjective
Marcussen (2006)	Buying	IT	Electronic data exchange makes process more efficient in terms of money and time savings	Conclusion	Subjective
Swindley (1992)	Buying	IT	IT as enabler for better information usage	Empirical observation	Subjective
Swindley (1992)	Buying	IT	IT facilitates automatization of activities	Empirical observation	Subjective
Tilokavichai et al. (2012)	Logistic processes	IT	Firms that have adopted logistics IT system have better performance in terms of process/process group performance indicators	Empirical observation	Objective
Berman & Thelen (2004)	Retailer's processes generally	Cross-Functional Interaction	Lack of communication results in negative process outputs	Empirical observation	Subjective
Hult et al. (2000)	Purchasing	Cross-Functional Interaction	Systems orientation as part of organizational learning positively affects positively purchasing information processing, which in turn positively affects the performance of purchasing process cycle time	Empirical observation	Objective
Hult et al. (2000)	Purchasing	Cross-Functional Interaction	Team orientation as part of organizational learning positively affects positively purchasing information processing, which in turn positively affects the performance of purchasing process cycle time	Empirical observation	Objective
Hult et al. (2000)	Purchasing	Cross-Functional Interaction	Localness positively affects organizational learning, which positively affects purchasing information processing, which in turn positively affects the performance of purchasing process cycle time	Empirical observation	Objective
Hult et al. (2000)	Purchasing	Cross-Functional Interaction	Information dissemination as part of purchasing information processing positively affects the performance of purchasing process cycle time	Empirical observation	Objective

Reference	Process / Series of Repetitive Actions	Success factor Class	Success Factor Description	Success Factor's Base of Identification	Relation to Success
Hult et al. (2000)	Purchasing	Cross-Functional Interaction	Openness positively affects organizational learning, which positively affects purchasing information processing, which in turn positively affects the performance of purchasing process cycle time	Empirical observation	Objective
Johansson & Burt (2004)	Buying	Cross-Functional Interaction	Involvement of people with different functional expertise important to secure the fit between retailer's new products and assortment	Empirical observation	Subjective
Johansson & Burt (2004)	Buying	Cross-Functional Interaction	Vertical integration (with suppliers) as part of internal integration a way to tackle complexity in process	Empirical observation	Subjective
Johansson & Burt (2004)	Buying	Cross-Functional Interaction	Vertical integration (between units inside a company) as part of internal integration a way to tackle complexity in process	Empirical observation	Subjective
Johansson (2002)	Buying	Cross-Functional Interaction	Localized decision making at function level results in processes being less complex and more dynamic	Empirical observation	Subjective
Johansson (2002)	Buying	Cross-Functional Interaction	Unconsciousness of other participants' work for the sake of process results in double work and feeling being left behind by competition	Empirical observation	Subjective
Johansson (2002)	Buying	Cross-Functional Interaction	True interaction over functional boundaries results in dynamic and low-complex way of executing processes	Empirical observation	Subjective
Johansson (2002)	Buying	Cross-Functional Interaction	Clearness of own responsibilities and consciousness of other participants' work for the sake of process results in dynamic and low-complex way of executing processes	Empirical observation	Subjective
Lyu et al. (2010)	Replenishment (part of buying)	Cross-Functional Interaction	Collaborative coordination mechanisms with mutual information sharing between supplier and retailer results in smaller cost of retailer	Empirical observation	Objective
Lyu et al. (2010)	Replenishment (part of buying)	Cross-Functional Interaction	Collaborative coordination mechanisms with mutual information sharing between supplier and retailer streamline processes between supplier and retailer	Conclusion	Subjective
Randall et al. (2011)	Retailer's processes generally	Cross-Functional Interaction	The interaction including coordination and collaboration between different functions among the most cited internal challenges	Empirical observation	Subjective
Sandberg 2014	New store opening	Cross-Functional Interaction	Standardization of the work as part of coordination, which in turn is necessary for successful new store opening	Conclusion	Subjective
da Silva et al. (2002)	Buying	Working relationship with supplier	Trustful relationships with suppliers is crucial so that planning can be done based on the promises made by external suppliers	Conclusion	Subjective
Johansson (2002)	Buying	Working relationship with supplier	Well-working interaction between retailer and supplier prerequisite for successful process execution	Conclusion	Subjective
Takashima & Kim (2016)	Processes between retailer and supplier	Working relationship with supplier	It is critical to be sure about external supplier's capabilities and expertise so that retailer's processes can be truly supported	Conclusion	Subjective
da Silva et al. (2002)	Buying	Skilled process participants	Ability to analyze multiple factors needed in buying	Empirical observation	Subjective
da Silva et al. (2002)	Buying	Skilled process participants	Subjectivity always present in buying process	Conclusion	Subjective
Hult et al. (2000)	Purchasing	Skilled process participants	Memory orientation as part of organizational learning positively affects purchasing information processing, which in turns positively affects the performance of buying process cycle time	Empirical observation	Objective
Sandberg 2014	New store opening	Skilled process participants	Mutual adjustment as part of coordination, which in turn is necessary for successful new store opening	Conclusion	Subjective
Sandberg 2014	New Store opening	Skilled process participants	The involved persons from different functions in the process need to have the required know-how, expertise and routine for successful process execution	Conclusion	Subjective
Swindley (1992)	Buying	Skilled process participants	Multiple characteristics and skills needed from an efficient buyer	Empirical observation	Subjective

Reference	Process / Series of Repetitive Actions	Success factor Class	Success Factor Description	Success Factor's Base of Identification	Relation to Success
Hult et al. (2000)	Purchasing	Leadership	Transformational leadership positively affects organizational learning, which positively affects purchasing information processing, which in turns positively affects the performance of buying process cycle time	Empirical observation	Objective
Sandberg 2014	New store opening	Leadership	Standardization of norms as part of coordination, which in turn is necessary for successful new store opening	Conclusion	Subjective
Sandberg 2014	New store opening	Leadership	Direct supervision as part of coordination, which in turn is necessary for successful new store opening	Conclusion	Subjective
Cachon & Kök (2007)	Assortment planning	Goal Setting	The decisions based on the whole category instead of one's own area of responsibility results in more optimal situation in terms of attractiveness of categories, prices and variety	Empirical observation	Objective
Hult et al. (2000)	Purchasing	Goal Setting	Information acquisition as part of purchasing information processing positively affects the performance of buying process cycle time	Empirical observation	Objective
Sandberg 2014	New store opening	Goal Setting	Standardization of the output as part of coordination, which in turn is necessary for successful new store opening process	Conclusion	Subjective

As it can be seen in the table 1, the success factors with the most comprehensive support from the literature are IT and cross-functional interaction. As far as the other success factors are concerned, the literature does not give such a strong support in terms of the number of the studies, where the findings have been made. What can also be seen in the table 1, is that buying, or alternatively purchasing as discussed in the respective study, is clearly the most examined single process in the area of retail from a process perspective. The other single processes have been studied only in few studies. In some studies retailer's processes have been examined generally without going deeper into any specific single processes.

### 3. RESEARCH METHODOLOGY

#### 3.1. Methodology Choices and Research Strategy

As the preliminary objective of the thesis was to gain understanding about the factors relevant to the success of BPM in retail environment, the processes under examination need considerable amount of manual work conducted by humans and the success of the chosen processes and factors relevant to them are hard to examine fully objectively, input for qualitative research was rather obvious, which will be reasoned next. In qualitative research the purpose and focus of the study is on a holistic understanding of the phenomenon, human is acting as data collection instrument, data is collected in real life context and situations and thus, data to be collected is subjective (Järvenpää 2006; Stainback & Stainback 1988, p. 8). Gillham (2010, p. 10) sees the primary focus of qualitative research being on understanding phenomenon under investigation for example based on the evidence told by people. Qualitative research is applicable especially when the researcher does not have comprehensive expertise in the phenomenon under examination. However, it is necessary for researcher to get familiar with the topic. (Jarrat 1996)

Within the chosen qualitative research a case study research strategy was used due to its fit with the research conducted. In a case study a specific contemporary phenomenon is empirically investigated in its real-life context by using evidence from multiple sources (Saunders et al. 2009, p. 588) and it allows “to retain the holistic and meaningful characteristics of real-life events” (Yin 2003, p. 2). Within this thesis the phenomenon of successful BPM in a real-life case company being under investigation, the clear support for case study strategy exist. According to Saunders et al (2009, p. 147) case study is useful in exploring and challenging a theory already existing, which fits well this thesis, as the framework built based on the literature review is tested, challenged and tuned. Moreover, in a case study a case or cases are investigated to get an answer to specific research questions. Case study takes into account a wide range of evidence, in this thesis meaning a great deal of diverse information recorded from conducted interviews, which needs to be interpreted, abstracted and combined in order to find out the best answers possible. (Gillham 2010, pp. 1-2).

Within the chosen case study strategy a multiple-case design was used, which according to Saunders et al. (2009, pp. 146-147) makes the possible generalizations to be made based on findings more trustful as the recurrence of the findings among different cases can be taken into account. Multiple cases were three different business processes with similar characteristics, although within one case company.



### 3.2. Case Company and its Processes

In the empirical part of the research only one case company was used. The case company is a Finnish-based retail chain operating in B2C industry. The case company's yearly revenue exceeds 50M€ and the amount of employees is more than 250 people, which sets the company into the category of large corporates by Finnish standards (Tilastokeskus 2015b; Yritys-Suomi 2015).

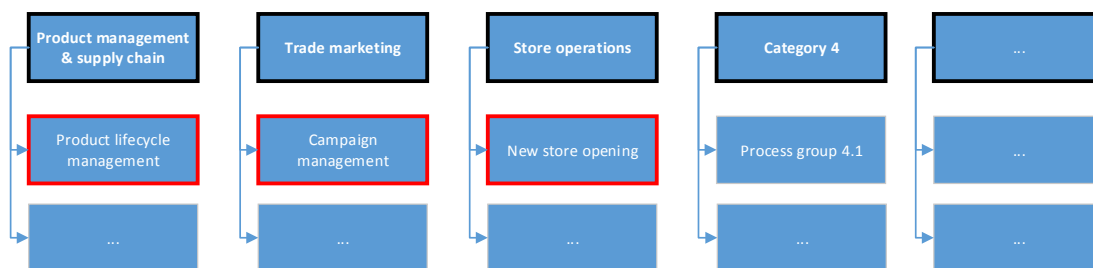
With respect to the processes under examination within the thesis, the case company has well routinized business processes due to the years of experience, but also repetitive sets of actions to which the whole process thinking is fairly new. However, no unified nor explicit system meant especially for managing business processes exists. Recently the case company felt urgent need to put more emphasis on its business processes and started a company-wide, systematic business process modelling and documentation project. Before the explicit knowledge of the business processes existed in the form of work instructions, checklists, personal databases and in some cases process models possessed by the process participants or process teams. However, no unified company-wide and for anyone easy-to-access location of process models existed. Later within this thesis the discussed process modelling and documentation means the modelling and documentation made as part of the initiated project discussed above.

With respect to the constraints set in the chapter 1.2, the following frequently repetitive and comprehensive processes with similar characteristics were taken into examination within this thesis:

- Product lifecycle management process
- Campaign management process
- New store opening process

All of these processes require input from multiple different functions both in terms of independently executed tasks as well as tasks of more collaborative nature. In addition to this, these processes are not executed only within the organizational boundaries of the case company, but collaboration with external actors, such as with product suppliers, is compulsory for the execution of the processes.

The figure 11 illustrates the locations of the chosen processes in the case company's process map. The chosen processes with red circulation fall into the process categories above them in the figure 11. To protect case company's anonymity, the process categories and processes that are not within the scope of the thesis have been excluded from the figure 11.



**Figure 11.** Case company's process map from the chosen processes' point of view.

As it can be seen in the figure 11, the chosen processes fall into the following process categories:

1. Product management & supply chain
  - a. Chosen process 1: Product lifecycle management
2. Trade marketing
  - a. Chosen process 2: Campaign management
3. Store operations
  - a. Chosen process 3: New store opening.

The three chosen processes will be described at phase level as part of the results of each process. The processes are divided into rough sequential phases and these phases are gone through. Within these phases there are the single tasks of the processes, but in order to protect the case company's internal capabilities, description of the processes at task level is not included. In all of the processes to be described the order of the phases in reality is not strict, as the phases and tasks included in them are executed simultaneously and some phases may be present throughout the whole process execution. Thus, the division of the processes into phase level is the best approximation of the processes at a bit lower level. As far as these processes are concerned, the same divisions into phases are used by the case company in its process work and thus, the validity of these divisions can be regarded to be proven.

### 3.3. Collection of Empirical Data

The empirical data was collected with the help of semi-structured theme interviews from sixteen different process participants from three different processes within the one case company, as shown in the table 2. The qualitative interviews chosen to be applied in this thesis fit the research context well, as they should encourage interviewees to describe the phenomenon of interest (Jarrat 1996). The question frame used in the interviews is shown in the appendix 1. In semi-structured interviews a list of questions and themes is prepared, but they are flexible according to the each separate interview meaning that the order of the questions can vary, new questions can be asked or prepared questions might not be

asked at all (Saunders et al. 2009, p. 320). Like Saunders et al. (2009, pp. 320-321) propose as one way of salvaging the empirical data in the case of semi-structured interviews, the interviews were recorded by audio-recording.

The goal was to constitute the most comprehensive understanding possible about the successful BPM in the case company. Due to this the interviewees were chosen in a horizontally and vertically comprehensive way meaning that both the different hierarchal positions and the relevant functions participating in the process with significant input would be present in the empirical data. For every process's part the process owner, in this context meaning person namely accountable for the process in overall, was interviewed first. Then with the process owner the rest process participants to be interviewed were jointly decided to ensure the above mentioned vertical and horizontal coverage. The table 2 illustrates the sample of the interviewees.

**Table 2.** *Sample of the interviewees.*

<b>Process</b>	<b>Product lifecycle management</b>	<b>Campaign management</b>	<b>New store opening</b>	<b>Total</b>
<b>Interviewees</b>	1 Process Owner	1 Process Owner	1 Process Owner	
	3 Process participants	5 Process participants	5 Process participants	
<b>Interviews total</b>	4	6	6	16
<b>Average duration of interview</b>	<b>49min 42s</b>	<b>45min 5s</b>	<b>53min 39s</b>	<b>48min 57s</b>

As it can be seen in the table 2, in addition to the process owners, four process participants were interviewed from the new store opening process and six from the other two processes. At the process level the average durations of interviews from each process were between 45 and 54 minutes.

### **3.4. Data Analysis**

The conducted and recorded interviews were first transcribed exactly from word to word. After this the results were analyzed and written down one process at a time. The results were written so that they would present a holistic perception of interviewees' thoughts about the factors behind BPM success and that nothing meaningful would be left out from the results. The results were demonstrated by using direct quotations and examples told by the interviewees about failures and successes in managing the business processes in question. As the interviews were conducted in Finnish, but this thesis is written in English, the direct quotations have been translated into English by preserving the original contents expressed in Finnish by the interviewees as well as possible.

First the results from each process were written based on the transcriptions. Only then the summary of the results and generalization in the chapter 4.4 was written based on these already existing results from each process written in this thesis.

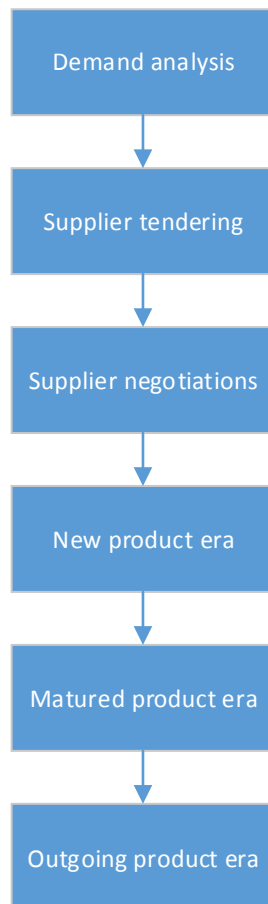
## 4. RESULTS

### 4.1. Product Lifecycle Management Process

#### 4.1.1. Description of the Process

At the single process level the output of the product lifecycle management process is a product batch with existing demand maintained in the assortment. The product lifecycle management process is in the very core of the case company's business, as without the existence of this process no products would be available for customers and most of the revenue would not be generated. Input for a product lifecycle management process comes from a recognized need for a new product or a product batch. In the big picture the process is not schedule-driven, i.e. the input for phases to be executed does not come from an agreed schedule, but from beforehand unknown signals such as recognized need, changes in the customer behavior or actions conducted by the supplier. One product lifecycle management process can be seen to cover one product batch, and there are hundreds, if not thousands, of simultaneously ongoing processes at the same time. One process is typically ongoing for between a couple of months and several years depending on the signals described above. The process takes a considerable amount of resources, as there are whole functions in the case company, such as product management, which practically exists to support the successful management and execution of the product lifecycle management process. In addition, other functions participate in the process with smaller responsibilities. The success of the process is continuously evaluated in terms of sales, margin, customer feedback and its fit to the assortment.

In the figure 12 there is the process model of the product lifecycle management process at the phase level. The phases shown in the figure 12, which the process consists of, are demand analysis, supplier tendering, supplier negotiations, new product era, matured product era and outgoing product era.



**Figure 12.** *Process model of product lifecycle management.*

Product lifecycle management should always start with a recognized need for a certain type of product or product batch based on demand analysis. Based on this recognized need the most potential suppliers are sourced and evaluated based on the offer supplied by suppliers in the supplier tendering phase. As an output from this phase a potential supplier is chosen and ready for contract negotiations. In the supplier negotiations phase the critical aspects are negotiated such as price, delivery and payment terms. Negotiations can take a considerable amount of time and multiple rounds until a possible agreement is reached. As a result from this phase a contract is signed with the supplier. In the new product era phase all the preparative actions are conducted so that the product is ready to be sold and is eventually being sold with all the relevant supporting actions. In the matured product era phase the product is not classified as new anymore based on a specific time of existing sales. In this phase all the actions are executed to holistically support product's successful existence in the case company's assortment. These actions might include routine checks related to sales, purchase price renegotiations with the supplier, new sales price calculations or even sourcing a new supplier if the product is outgoing from the current supplier's assortment but the product, however, is wanted to be kept in the assortment by the case company. In the end of this phase an input for outgoing from assortment arises from different possible sources. The input for outgoing can come from

decreased sales, product not going to be manufactured anymore in the future or supplier shutting down its operations. After the final decision to make product outgoing from the case company's assortment, outgoing product era phase starts. In this phase all the actions supporting product's outgoing from assortment are executed. The actions include following stock level and planning possible discount campaigns. Finally as an output from this phase, no products are left in stock and no more will be ordered from supplier for the time being.

Interviewed process participants perceive the success differently depending on their function, roles and responsibilities in the process. For example, well working communication and collaboration between process participants from different functions, reasonable adequacies and availabilities as well as stock values of products, the match between estimated and actual sales and existing demand for the products in the assortment are mentioned when asked how the process participants perceive the success as part of the management of the process.

#### **4.1.2. Success Factors**

From all the interviewees' point of view IT is generally considered to be highly important for the successful management of the product lifecycle management process. Without the current IT already in use including things from utilization of emails and phones to more advanced IT systems it is hard to imagine for the process participants to reach the goals that are nowadays required as part of the process. However, as well as the importance of IT seems to be clear, it is as well widely acknowledged that IT is not supporting the management of the process as it should. Different interviewees emphasize different deficiencies currently regarding IT such as both inaccuracies and shortages in master data stored in the systems, inabilities of current systems in use, need for manual and time-consuming work that should be automatable and also it is hoped that the systems would be able to raise the flags in a more advanced way and more frequently. As one interviewee puts it:

*"We have been able to succeed in this process regardless of the fact that our systems support this process extremely poorly. However, I would not simply argue that without proper support from IT it is impossible to succeed in this process, but if our systems were supporting this process better, in that case I would argue that we would be at least 50% more effective in conducting processes like this." (Interviewee #1)*

For example, as pointed out by one interviewee, at its worst the inaccuracies in master data, which is used by systems for forecasting the sales and based on which the orders are partially set, can lead to the situation, which endangers the continuity of the whole business. To conclude, although the IT currently in use is perceived extremely important for successful management of the process, it seems that in the area of IT there are both great

potential and need for development and by making IT to support the process better clear improvements from the process management's perspective should be made possible.

One interviewee feels that many of the failed cases, where a specific direction of development has not been noticed early enough causing way too high stock values, could have been avoided by a more sophisticated but totally realistic way of reporting, which would notice and raise the flags for the relevant process participants about abnormal development and need to change the parameters used in creating the sales estimates. Another interviewee perceives that many of the failed cases, where the last phase of the process has been prolonged and products outgone from assortment have not been cleared from the stock successfully, have partly been caused by deficiencies in the data in the systems. These deficiencies have resulted in systems' inability to communicate the decision made in the previous phase onwards, and as a result no one has got the input to conduct the actions in the last phase of the process.

Similarly to the findings of IT's role in the successful product lifecycle process management, also clear responsibilities are solidly and self-evidently perceived to be extremely important. However, most of the interviewees feel that the responsibilities are too often unclear, which may result and has already resulted in undesirable outcomes during the process execution. With clear responsibilities it is ensured that no work will stay undone or totally uninitiated, deadlines are met as the participants with clear responsibilities know to reserve the necessary time for the work, process participants know exactly what is expected from them, process stays better under control and according to one interviewee clear responsibilities can also be seen as part of risk management. Some interviewees also point out that in addition to knowing one's own responsibilities it is important to know other process participants' responsibilities as well, with the help of which others and their work can be better taken into account in one's own work and communication works more efficiently, as no time is needed to use for figuring out from whom to ask if such a need occurs. One interviewee brought up an example of a failed new product launch with exceptional supplying policies, due to which three different functions were thinking that the other function will send the official orders to the supplier. However, in the end none of the functions sent those orders, which resulted in fairly big damage due to the products being available for consumers later than publicly promoted.

Two interviewees brought up a failed example resulting from unclear responsibilities, where at one point a product batch outgone from assortment was already supposed to be cleared from the stock according to the original clearance plan with necessary actions, but instead it was still taking considerable amount of physical stock place in the case company. The interviewees argue that this situation had actualized simply due to the fact that the responsibility for ensuring the actualization of clearance of the outgone product had not been defined precisely enough. One interviewee argues that before responsibilities were not defined clearly enough, which was causing big problems in the process as



people were doing same things at the same time without any idea about the fact that doing things together with a strong communication would be the most effective and the most successful way of acting as part of the process. Or alternatively, important decisions were not communicated to all the relevant parties as others' responsibilities and information needs were not clear to other process participants.

Cross-functional interaction is perceived as well important, although interviewees relate to it differently and one interviewee considers cross-functional interaction actually resulting from clear responsibilities so that if each process participant knows with whom it is necessary to interact with, one will also engage in such interaction. But what seems to be agreed is that different functions need to interact with each other and necessary information needs to be exchanged between functions and process participants and that this process could not be successfully executed if everyone was doing all of their tasks on their own without any communication with others. The necessary information needs to be communicated clearly, controllably and in a unified way so that confusing situations and outcomes from those can be avoided. Most of the interviewees emphasize or it can be interpreted them to emphasize the need to only interact with those specific process participants and functions with whom it is necessary, in other words the need to know everything possible in the process is not important.

However, one interviewee feels that, even though for most process participants it is probably reasonable to interact with only specific functions as described above, a perfect transparency from the process currently lacking would definitely serve the interviewee's needs, although the interviewee understands that this is only possible with a solution offered by IT. Due to the role of the interviewee the interviewee is often asked help from or even just notified, when something significant has already failed in the process, which could be avoided if perfect transparency existed and the interviewee was able to intervene proactively already well in advance based on the interviewee's own judgement. Also according to other interviewees cross-functional interaction is not perceived to work perfectly. One interviewee feels that the necessary information is not always moving between functions, whereas another argues that there exists a continuous information flood through emails, where also non-relevant process participants are kept in receivers presumably just in case, which is resulting in confusion, time used in vain for going through the email and probably occasional misses of emails including actually important information.

Working relationships with suppliers are seen highly important and in some cases critical, and according to one interviewee the assets resulting from supplier relationships are the most important in this process and in the whole business due to the case company's nature of being solely in the other end of the supply chain as a sales organization, as the interviewee in question describes:

*“Without good and well-working supplier relationships we do not have any justification for our existence.” (Interviewee #2)*

Truly working relationship with supplier has positive effects on a number of different parts in the process, such as the products are always received on time according to estimated times of deliveries, less work or in the perfect world no extra work is needed to make the supplier perform as promised according to the terms in the signed contract, in cases of emergencies alternative solutions with the supplier can be found and most importantly, the overall performance of the process is significantly increased. However, many interviewees perceive that at the moment in the big picture in reality the situation is often that instead of perfectly working relationships so called supplier discipline needs to be continually conducted, which practically means active supplier management by the case company, realization of sanctions, discussion of the performance of the suppliers and generally just more work, nerves, stress, anticipation, better processes and time consumed by the case company for communication with suppliers. Naturally one option in this kind of situation, where supplier is not performing as expected even after actions made by the case company focusing on bettering the relationship and performance of a supplier, would be to change the supplier, which is not, however, always possible due to the importance of a supplier. Although the reality often is more supplier discipline than automatically performing suppliers it is, however, acknowledged that all the suppliers performing poorly would not be a sustainable situation, as one interviewee describes:

*“There should be a whole division at our end handling the problems with suppliers, which would not work at all.” (Interviewee #2)*

In many cases pointed out by the interviewees the working relationship or supplier discipline with supplier is considered to be among the factors behind a success. For example, in one case with problems with the supplier, the launch was conducted successfully partly due to the well conducted supplier discipline, where reactions towards the supplier were made immediately, when problems occurred. Also in other various examples it is emphasized that supplier's performance is in many cases critical in defining whether the outcome of the process will be successful or not. One interviewee discusses a highly successful example, in which among the main factors behind the success has been a working relationship with the supplier, with whom interaction and communication has been working since the beginning, supplier has been able to perform as promised in terms of delivery times and to conclude, the relationship with the supplier has felt like both sides are working together towards a common goal.

In some cases it is perceived that the success might be dependent on a single supplier and the performance of it regardless of what actions are made by the case company's process participants as one interviewee describes:

*“In the case of brand X, failing would have anyway resulted from the supplier’s actions, as no matter what we would have done internally and if the supplier had not performed, the case would have not been a success.” (Interviewee #1)*

All the interviewees consider personal skills and know-how important and together with experience the process is always performing better, although it is widely acknowledged that both type and level of skills required depends on the role and tasks in the process. In the process there might be roles that do not require such an advanced set of skills as other roles or the level of skills can also be task-specific within one role in the process. Some tasks require less personal skills due to better support from IT, clear processes and possibility to have comprehensive introduction to the role or alternatively, the personal skills required would be decreased if for example IT was supporting some part of the process better. In addition to this, different roles require different kind of set of personal skills as brought up above. In some roles for example knowing the industry, competitors, customers and products are the most important skills, whereas in some role or task the most critical skill might be systems know-how, purchasing know-how or experience and skills in the area of supplier negotiations. One interviewee describes the special skills required from the interviewee in the processes the following way:

*“If I think my responsibilities, a certain ability to take controllable risks is a must, because trusting exactly in the numbers given by a system may not be the path to the success in cases of remarkable growth stories. You have to have the ability to see further to the future, for example you may have to have the trust and courage to make a decision to buy 4 containers of products instead of 2 informed by a system.” (Interviewee #3)*

One interviewee argues that due to the fast growth and expansion of the case company, the requirements for know-how and a kind of overall understanding of the relevant business areas have remarkably increased and will be increased if the growth pace stays the same. In that case attention should also be paid to training employees to keep them up with the increasing expectations and requirements.

Leadership is perceived important to both directions, although the ability to work independently as well is considered to be prerequisite for the successful process execution. As far as leadership is concerned, different areas of leadership are emphasized depending on the interviewee and the interviewee’s role in the process. The leadership needed from one’s superior is seen to be constructed from making critical decisions, ensuring the enough resources and that right things are being done, professional support and sparring, ‘borrowing authority’ in problematic situations with suppliers and leading employees to the right way according to the case company’s strategy. When it comes to the leadership needed downwards, some emphasize the need to practically guide subordinates or other functions what actions to do and when to do them. Also the need for everyday rewarding, motivating and encouraging are considered to be important, the need of which, however,

depends on one's personal characteristics. One interviewee argues that due to the deficient support from IT and occasional negligence of process participant's roles and responsibilities, the role of leadership is currently highly important, whereas as other reasons for currently more being required from leadership are seen the case company's fast growth pace, considerable changes regarding subordinates' daily work from this process's point of view and a numerous amount of simultaneously ongoing product lifecycle management processes. One interviewee argues that it might be reasonable to define clear daily leadership responsibility for some process participant for the product lifecycle management processes as a whole, which is currently not actualized.

Goals are seen to be very useful, mainly motivating and helpful in prioritizing and leading the process to the right direction, or more precisely, to the direction of the goals set. However, the goals that interviewees regard important varies quite a lot as the following ones are mentioned: schedules for product launches, stock adequacies, optimizing product availability, fulfilling acceptable service level, consumer demand for specific products and maintaining efficient and profitable product assortment. Throughout all the interviews it is either explicitly or implicitly present that in order for a goal to work the goal should be something that the process participants can clearly have an effect on. One interviewee argues that if the employee is in the work position of his dreams, the more important the goals are and more effect the goals have on the performance of single process participants. However, also potential areas for development from goals' point of view are recognized. Two interviewees argue that the failed cases, where the last phase of the product lifecycle management process has been prolonged, in other words the product outgone from assortment has not been cleared from the stock on time, have partly been caused by deficient goal setting. Process participants responsible for taking care of the clearance of the product have not been assigned important enough and clearly guiding goals or alternatively, these responsibilities have not been defined at all, but anyway, the attention of the process participants with influential possibilities on the matter has been somewhere else due to the existed goal setting. Another interviewee sees the clear benefits of setting goals overlapping functional boundaries and goals being more process than function specific, but at the same time acknowledges the challenges to create such goals. Also the potential benefits of creating more advanced goals for selecting right suppliers are mentioned.

When asked from the interviewees how they would tune the framework for successful BPM gone through in the interview, all the interviewees considered all the areas important and none of the interviewees would remove any part totally from the framework. As one interviewee puts everyone's thoughts in one sentence:

*"If you succeed in all of those areas, the probability for successful process execution is high." (Interviewee #1)*

Some of the interviewees would keep the framework exactly as it is and not give more or less emphasis on any of the areas, whereas some would, on the contrary, emphasize one or more areas in the framework depending on their roles and responsibilities in the process. One interviewee considers clear responsibilities above others, whereas another would highlight the importance of cross-functional interaction and lessen the importance of goal setting. One interviewee would put clear responsibilities, cross-functional interaction and IT above other areas, as if these three areas work, the process can perform even if the other areas are not performing as hoped. Another interviewee would emphasize clear responsibilities and goal setting by considering them being prerequisites for the process to perform at all. One interviewee would consider removing cross-functional interaction from the framework by arguing that cross-functional interaction is important, but it is actually, however, direct outcome from clear responsibilities.

#### **4.1.3. The Benefits of Process Modelling and Documentation**

Apart from one interviewee the conducted process modelling and documentation is seen to be very useful and important from the interviewees' point of view. The benefits of modelling and documenting the process seem to lie in making responsibilities clearer, helping to understand the overall picture of the process and it can also be seen to work as a first step for process development and improvement. When considering making responsibilities clearer, it is perceived that this process modelling and documentation has helped interviewees to understand both their own and others' roles and tasks in the process, which have positive effect on all the necessary work being conducted and on time. As far as understanding the big picture is concerned, interviewees perceive that it has helped them to understand the requirements of the process, the effects of one's work to another's, dependencies between different tasks and roles and also visualizing and clarifying the schedules and time frames present in the execution of the process.

When discussing the development aspects, this modelling and documentation helps to understand the current state of the process. This in turn triggers the ideas and requirements to develop the process and in addition, it might be helpful in recognizing the critical gaps which should be filled with an IT solution for the process's sake.

#### **4.1.4. Summary of the Results**

The current IT in use is perceived to be extremely important for the product lifecycle process to perform and without which the goals set for the process would probably be impossible to reach. However, it is felt that in the area of IT there lies a great deal of both potential and need to develop the IT to support the process better. At the moment it is unanimously felt that the current IT in use is supporting the process poorly and the challenges and preferable objects of developments cover wide range of areas within the IT

such as validity of master data, inabilities of current systems, reporting and work still being conducted too manually.

Clear own responsibilities are felt to be highly important factor affecting the success of the process, with the help of which it is ensured that the necessary work is done according to the set deadlines. Also knowing the responsibilities of other process participants is important so that other functions and other phases of the process can be taken into account in one's own work as well as it contributes to efficient communication. However, although some perceive that the responsibilities have become clearer, it seems that there still is development potential in this area as many of the examples of recent failures as part of the product lifecycle management process brought up by the interviewees are perceived to be caused by unclear responsibilities.

Cross-functional interaction is perceived to be compulsory for the process to perform, as information needs to be successfully exchanged between different functions and process participants. However, most interviewees feel that it is necessary to interact only with those process participants and functions with whom it is necessary at any moment in the process, although one interviewee expresses the need for perfect transparency from the process, which is, however, possible only with the help of a new IT solution according to the interviewee. It is felt that cross-functional interaction is not always working as it should, as the information is not always exchanged between all the necessary functions and process participants and at the other extreme there exists continuous information flood through emails as all the possible process participants seem to be kept in the receivers just in case.

Working relationship with supplier is perceived to be important, although often the reality is more like supplier discipline conducted actively by the case company than automatically perfectly performing suppliers. Supplier performing automatically at required level has always positive effect on the process performance and not all the suppliers can require active and massive supplier discipline as the relevant process participants would not have time to conduct it with every supplier. However, in many cases the reality is that actions are needed towards suppliers by the case company in order to make the supplier and the process to perform. However, the required performance of suppliers from the process's point of view seems to be preserved by automatically well performing suppliers or by actively conducted supplier discipline.

Personal skills possessed by the process participants are perceived to be important for the process to perform, although it is widely acknowledged that different roles and responsibilities require different sets of skills and at different level. However, some argue that clearer subprocesses and better support from IT in the future would decrease the requirements for the personal skills currently needed in the process, which is, in some cases, being actualized already at the moment. None of the interviewees pointed out challenges

currently related to this success factor. However, one interviewee argues that in the future special attention should be paid to ensuring that the needed skills and know-how possessed by the process participants are updated and increased along the constantly increasing expectations and requirements.

Leadership is felt to be important for the process to perform in normal daily process management, although it is necessary for the process participants to have the ability to work independently as well. Type and level of leadership needed depends both on the responsibilities of the process participant conducting the leadership as well as the characteristics of the ones to be led. The importance of leadership is perceived to increase if the process is affected by some sort of disruptive factors such as occurring problems or unexpected situations, deficient support from IT, changes in process participants' work as part of the process or a great amount of simultaneously ongoing product lifecycle management processes, which is currently being actualized. Apart from one interviewee, who proposed the possible need to define an overall leadership responsibility for the process currently lacking, no challenges were pointed out during the interviews.

Goals are seen important, although there is quite a lot of variation what different process participants consider important goals especially for them. In order for a goal to work it has to be something that process participants can clearly feel to have an effect on. Clear development potential exists, as for example it is perceived that the failures in the product lifecycle management processes, where handling the end part of the process has failed and stock has not been cleared from products outgone from assortment as planned, have at least partly been actualized due to the lack of appropriate goal setting regarding the end part of the process. Also the potential effects of creating process-wide goals and goals for selecting the right suppliers are mentioned.

Interviewed process participants from different functions would emphasize different success factors gone through differently. However, none of the interviewees would exclude any of the success factors totally from the framework.

The conducted process modelling and documentation is perceived highly useful. The main benefits achieved lie in making one's own as well as others' responsibilities clearer in the process. Also increasing the general understanding of the process, understanding requirements, others' work and one's influence on them, clarifying schedules within the process and paving the way for process development are mentioned as benefits achieved. No unseized potential was brought up by the interviewees as far as utilizing the existing process documentation is concerned.

In the table 3 the summary of the results gone through are visualized in the form of a table.

**Table 3.** *Product lifecycle management process: summary of the findings.*

<b>Success Factor</b>	<b>Perceived Importance</b>	<b>Challenges</b>
IT	+++	+++
Clear Responsibilities	+++	++
Cross-Functional Interaction	+++	++
Working Relationship with Supplier	+++	+
Skilled Process Participants	+++	+
Leadership	+++	+
Goal Setting	+++	++

<b>Process Modelling and Documentation</b>	<b>Perceived Usefulness</b>	<b>Unseized Potential</b>
Process Modelling and Documentation	+++	+

In the table 3 the success factors are evaluated based on two dimensions already gone through earlier: perceived importance and challenges. The amount of plusses tell about the fulfillment of the dimension. In the case of perceived importance three plusses mean that the success factor is perceived extremely important, whereas two plusses mean that the success factor has significance, but it is not perceived extremely important. One plus means the importance of the success factor is low or it is not perceived important at all.

In the case of the challenges dimension, the amount of plusses is evaluated holistically by taking into account the amount of challenges pointed out by the interviewees, the significance of the challenges and their relevance for the process management when considering the process as a whole. Three plusses tell about a significant level of challenges and clear need for development as far as the success factor in question is concerned. Two plusses mean that challenges exist, but they are not that critical. One plus tells about low or total non-existent level of challenges and that the fulfillment of the success factor is at the required level.

For process modelling and documentation's part the logic is similar in the table 3. In the case of perceived usefulness three plusses mean that the conducted process modelling and documentation is perceived highly useful, whereas one plus would mean low usefulness perceived by the interviewees. In the case of the dimension called unseized potential three plusses mean that there still exists a great deal of unseized potential as far as the existing process documentation is concerned and one tells about the contrary.

As it can be seen in the table 3, all the seven success factors are perceived to be highly important and also the conducted process modelling and documentation is perceived highly useful. The greatest or even critical challenges are related to the IT in use, which



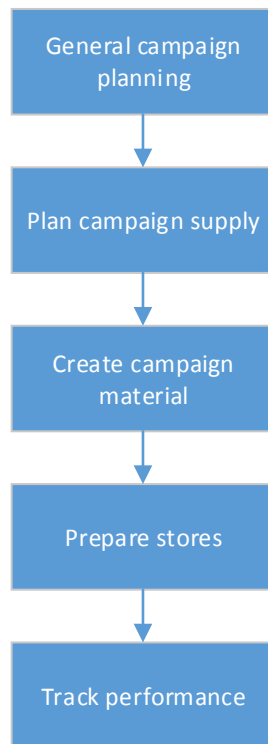
is not felt to support the product lifecycle management as it should. Challenges at meaningful level are also actualized when it comes to clear responsibilities, cross-functional interaction and goal setting. As far as working relationship with suppliers and supplier discipline, skilled process participants and leadership are concerned, no meaningful challenges were pointed out by the interviewees, although the perfect transparency from the process might have positive effects on the process performance and in the future special attention should possibly be paid to ensuring the level of skills required from the process participants. In the case of the process modelling and documentation no unseized potential lying in the existing process documentation was pointed out during the interviews.

## **4.2. Campaign Management Process**

### **4.2.1. Description of the Process**

At the single process level the output of the process is the additional sales and margin generated by the campaign. At the company level the process contributes to the hoped customer behavior, communicating the case company's brand and both surviving and succeeding in the middle of the competition. Input for a campaign management process comes from a beforehand agreed campaign calendar. The whole process is schedule-driven, i.e. the input for phases and tasks to be executed comes from an agreed schedule. One campaign management process is ongoing for a multiple dozens of weeks and many different processes are simultaneously ongoing at the same time, although in different phases. In addition, new processes are initiated monthly. The process takes a significant amount of resources, as practically all the white-collar employees and store personnel in the case company participate in the process somehow, some with larger input than others. In cases of some process participants all their work is related to supporting the successful management and execution of the campaign management process. The success of the process is mainly evaluated based on the executed campaign at the store level both quantitatively and qualitatively.

In the figure 13 there is the process model of the campaign management process. The phases shown in the figure 13, which the process consists of, are general campaign planning, plan campaign supply, create campaign material, prepare stores and track performance.



**Figure 13.** *Process model of campaign management.*

In general campaign planning phase a campaign is planned with respect to the case company's top-level campaign plan. In this phase an overall campaign plan is generated, for which the products to be included in the campaign are decided. The overall campaign plan is communicated to all the relevant internal parties as well as to external suppliers and after the discussion with suppliers the plan is confirmed. Along the way overall campaign plan is updated and communicated. Before the campaign starts all the necessary system updates supporting the execution of the campaign are conducted.

As part of the plan campaign supply phase forecasts for the sales are generated and communicated to suppliers and the products are actually ordered. Along the way possible changes to the campaign products are executed and communicated and also sequential availability checks are conducted. Finally the products are delivered to the stores with campaign materials. In the create campaign materials phase all the campaign materials are designed, updated and finalized. Also campaign advertisement is planned and executed closer to the campaign.

As part of the prepare stores phase, the store design for the campaign is designed. This store design with all the other relevant info needed to execute the campaign at the store level is created and communicated to the stores. In the track performance phase all the preparative actions for measuring the performance of the campaign are conducted and

finally the success of the campaign and the whole campaign management process is analyzed based on multiple sources of information. In addition, feedback generated based on the analysis is communicated to relevant parties and lesson are tried to be learnt.

Among the interviewed process participants there seems to be a clear consensus about meeting the deadlines set both for the process as well as subprocesses and tasks in the process being the most important perceptions of success for the campaign management process. More deeply discussed, meeting deadlines mean that stores are supplied with campaign products on time, the campaign leaflet is delivered to consumers on time and the stores are ready for the campaign right from the start of the campaign. Other signs of success mentioned by the interviewees include non-changeability of campaign products throughout the whole process and match between estimated campaign sales and actual campaign sales. Also the generated sales are perceived as a sign of successful campaign management process, although interviewees often argue that purely from process perspective the generated sales may not be as relevant as other metrics of success.

#### **4.2.2. Success Factors**

Currently IT is considered to be extremely important and also a prerequisite for the campaign management process to perform. For example, the possibility to use modern ways to communicate inside and outside the company with the help of IT, specific softwares that graphic designers use and Microsoft Outlook and Excel are seen self-evident but extremely important for the process without which the process would not perform as it does at the moment. IT is also used for creating more accurate sales estimates more automatically, storing important data from campaign's point of view and making analysis to support decision making. However, the clear need to develop the current IT in use to support the process better is as well recognized. Although interviewees perceive that IT has developed to better direction and some new and truly useful IT softwares have been implemented, still in some areas there is still a lot of work to be done to get the hoped support from IT, as one interviewee describes:

*“IT department has a great pressure to develop our systems to better direction.” (Interviewee #7)*

It seems that humans are still conducting massive amount of manual and critical work, and multiple interviewees perceive that it should be conducted by some kind of IT solution, which would be able to execute the tasks faster, more reliably, more accurately and more automatically than currently is being done. For example, the role of mainly manually used Microsoft Excel, which is widely utilized and without which it is hard to imagine the process perform at all with the remaining set of IT tools, it is perceived so that in many cases it should be replaced with some other IT solution that would support the management of the process better than the Microsoft Excel does now.

Multiple interviewees consider clear responsibilities as the most important factor behind the process success, as without clear and understood responsibilities a great deal of confusion as well as problems are generated, process participants do not know what is expected from them and no work will be done. However, the current state of clear responsibilities triggers observations of slightly different views. Some interviewees argue that the responsibilities have become clearer, although especially at store level it is still often perceived that in a case of problems the responsibilities of white-collar employees are not clear for store personnel and as a consequence more time and effort is needed to figure out who to consult about each matter occurring during the process. However, this same is actualized also among white collar employees, which usually results in information gaps as the important information does not reach the process participants in need of that information. One interviewee argues that nowadays the responsibilities are clear and everyone knows what they should do, but still for some reason some tasks are not executed on time or at all by the process participants, and most attention should be paid to ensuring better fulfillment of the tasks obligated by the agreed responsibilities.

Cross-functional interaction is perceived highly important but only between those process participants and functions, between which the interaction really is meaningful at that specific moment of the process. Closely related to this none of the interviewees feels the need for perfect transparency from the process. Especially in the campaign management process there are so many different functions, teams and employees involved who need to exchange information, data and physical products with each other so that the process would not perform at all if everyone was staying only within one's own function's organizational boundaries without any interaction outside. It is perceived that necessary cross-functional interaction has become better, although there still remains a lot to do better in this area in the future.

At the moment many interviewees feel that the challenge is to remember to keep or even just to know all the necessary people needed to be informed in each step and in each situation occurring along the process execution and failing in that can have remarkably negative outcomes on the process performance. The amount of participants in this often repetitive process is already so vast that knowing who to inform and when is sometimes quite a challenging task itself. The continuously held repetitive meetings of checking nature in certain phases of the process offer some help for this, but if the information is only exchanged during these meetings, it may in some cases be already too late. For example, at one extreme in the case of changes to campaign products if one specific process participant is not informed about the change, it might turn out so that the product is massively advertised in the campaign leaflet but the products are not ordered by the stores at all. This is in turn directly visible to customers, as the product availability is zero and the customer is left without the product he came for. One interviewee feels that there actually exists too much pointless and time-consuming cross-functional interaction in the form of meetings from the interviewee's and the interviewee's team's point of view, although the

participations in the meetings have knowingly been decreased. However, two interviewees see a clear positive connection between clear responsibilities together with overall understanding about the process and cross-functional interaction so that clearer the responsibilities of other process participants, better the basis for cross-functional interaction.

When discussing external suppliers as part of the campaign management process, their performance is perceived important for the process's sake. However, a distinction between product suppliers and suppliers taking care of printing and delivering the campaign leaflet should definitely be made. In the case of suppliers responsible for printing and delivering the campaign leaflet the relationship itself has to be well-working so that promises are kept and the word given by the supplier can be trusted. This is due to the fact that in this case all eggs are in one basket, in other words if this supplier cannot exactly fulfill the deadlines set for them, the leaflet will not reach customers on time and in the worst case scenario campaign period is already over when customers receive the information about the campaign. In this kind of situation, where one supplier responsible especially for printing the campaign leaflet would inform the case company not being able to meet the deadlines set for them, finding an alternative supplier might be impossible, as ordering printing usually needs to be done very well in advance and with short-notice there might be nothing to do.

When considering suppliers of sellable products, the case is a bit different due to the reality of supplier relationships requiring often more discipline and management by the case company and campaigns more rarely being dependent on one specific product supplier. It is perceived that in many cases the relationships with suppliers of sellable products are not automatically that good that suppliers would perform enough well without any supplier discipline conducted by the case company. Of course, perfectly working relationship has always positive effect on process performance and if all the suppliers were performing poorly, the current process participants would not have enough time to use for continually trying to keep the performance of poorly performing suppliers at required level. However, some suppliers need more reminding, practical guidance, management, negotiation, setting sanctions, anticipation by ordering products in advance and generally more working hours used by the case company's process participants to make the supplier perform at the required level. In the case of suppliers of sellable products, if one supplier is not able to meet the deadlines, a case company can try to save the situation by using another supplier for the product or using an alternative products for the campaign. In addition, campaigns are not necessarily dependent on products from one specific supplier, whereas in the case of suppliers responsible for printing the campaign leaflet the case company is dependent on this one supplier with bad possibilities to find a another one if trying to find an alternative solution in the last moment. Also there might be some critical suppliers of sellable products, where changing the supplier is not an option, and in that case, if the relationship is not working automatically as the case company needs it to

work, the case company needs to make the supplier perform by discipline and actions conducted by the case company's process participants.

Almost all the interviewees were able point out an example of a failure as part of the campaign management process caused by a supplier that was unable to perform as promised. In the cases recognized by the interviewees a set of campaign products have been delivered to the case company later than first agreed with an announcement from supplier too late or even without any announcement. This has resulted in more work being required from the case company in terms of repairing actions to be able to produce an alternative solution or in the worst case, in total absence of these products from the case company's stock during the campaign, when products are at the same time being heavily promoted in already printed campaign leaflet.

All the interviewees agree that personal skills and expertise are extremely important for the successful management of the process, although one interviewee argues that there might be some minor parts in the process that can be successfully executed even without such a vast and developed set of personal skills. Throughout the interviews the need for different kind of skills in different roles is emphasized, for example graphic designers need to know how to design and create the leaflet, product management needs to know about the products, competitors, market needs and possess supplier negotiating skills and for store personnel it is critical to understand store's own customers. With the help of good instructions and support from IT the requirements for personal skills can be decreased, although there probably always exists the need for a set of specific personal skills as one interviewee from store level well describes:

*"IT is important and in many cases utilizing data is crucial. But still one just needs to know one's own customers and what they prefer to buy." (Interviewee #8)*

In unexpected situations the skills possessed by process participants are emphasized. In the examples pointed out by the interviewees the sudden problems have been overcome by process participants' ability to anticipate these situations and prioritize, react quickly or even improvise in finding solutions together with working cross-functional interaction and even better if this can be done before a problem actualizes. It has also been noticed through practical experience that some tasks in the process require a certain kind of personal characteristics to conduct tasks successfully, where pure skills may not be enough.

As far as leadership is concerned, there seems to lie a consensus that in order for the campaign management process to perform, process participants need to have the ability to conduct tasks in the process self-directly in the long run and if there is need for continuous, active and strong managerial supervision, as two interviewees argue, process participant maybe just do not fit the role as part of the campaign management process. Of course some continuous and important leadership occurs, but is achieved more in the form

of meetings, setting goals and schedules, created deadlines in calendar, brand development plans, documented instructions, clarified responsibilities, reserving resources, professional sparring and ensuring that the process participants are headed to the right direction in their work. However, in exceptional situations the need for stronger leadership is emphasized, such as when there is new process participant still being introduced to the campaign management process, difficult situations or problems occur when support is needed from superior, something important with considerable outcomes needs to be decided, campaign orders are defined at store level or process itself is facing significant changes. In one example brought up by an interviewee a new process participant still being introduced to the work was given a critical phase in the process to the process participant's responsibility. However, the new process participant seemed to be unable to successfully conduct the phase independently and a critical deadline was in danger of not being reached. However, with strong leadership from superiors including practical guidance of single work tasks and strong continuous supervision, the new process participant was eventually able to conduct the task successfully on time.

It is perceived that in some situations even if one process participant would feel the need to conduct strong leadership over another function and tell this to prioritize something, it is at the same time acknowledged that this process participant may not have the authority to do this, even if it was best for the campaign management process. When it comes to everyday rewarding, recognizing good work and motivating, one interviewee expresses both the need and actualization of this throughout the whole process, whereas another explicitly argues that this does not happen, which would, however, be nice to get once in a while. In many interviews it is at least implicitly present that this campaign management process is for many process participants the most important of the single processes, and one interviewee argues that it is always made sure that at least the tasks in this process are conducted. This might affect the leadership needs in the process, as one interviewee states:

*“This is so in the core of basic work that no additional rewarding or encouraging is needed.” (Interviewee #9)*

As far as goals are concerned, all the interviewees perceive that schedules and deadlines set for the campaign management process's phases and single tasks are among the most important and often self-evidently critical goals, which lead the process to the right direction and paves the way for the process to perform and without which no work would be done on time. Many of the deadlines set for the phases or tasks in the process can handle only a little or no postponements at all without having clear negative effects on the process performance. A numerous amount of other goals with positive effects on process outcomes are also recognized, but these are mainly more function-specific and some of them aim at maximizing the euros generated by the campaign, which may not be, as some interviewees point out, as relevant purely from the process perspective. Other goals include

the generated sales and euros by the campaign, luring customers to the store, no changes to the campaign product list during the process, reasonable stock values during campaigns, brand-related goals, plans about how the store should look like during the campaign, to produce marketing materials of high and equal quality regardless of who makes the material and to produce marketing materials that are not only pretty but most importantly, which sell and fit the case company's visual themes.

Some of the interviewees also recognize the need for development as far as the goals are concerned. For example, at store level it is perceived that clear and precise sales and margin goals for at store and brand level would help store personnel to assimilate what is expected from them, motivate them and to guide their actions to the right and hoped direction. Similarly to this finding at store level, one white-collar interviewee perceives that better and more precise goals should be created for euros generated by the campaign, which would possibly have positive effect on all the actions made as part of the process.

When asked from the interviewees how they would tune the framework for successful BPM gone through in the interview, all the interviewees considered all the areas important and none of the interviewees would remove any part totally from the framework. However, one interviewee would add an additional box for understanding the process in the big picture further than only within one's own responsibilities. This way the effects of both one's own and others' actions or non-existence of those actions would be understood, which would probably have positive effects on the performance of the whole process. In addition, interviewees would emphasis different areas over others depending on their roles and responsibilities in the process. For example, one interviewee would decrease the importance of leadership and working relationship with supplier from the interviewee's point of view, whereas another would highlight most the clear responsibilities, another cross-functional interaction and another deadlines set as part of the goal setting. Then, some of the interviewees regard the importance of all the areas equal.

#### **4.2.3. The Benefits of Process Modelling and Documentation**

Benefits of the process modelling and documentation are similar to the ones made earlier in this thesis in the case of product lifecycle management process, although with bit different emphasis on different aspects. All the interviewees consider the process modelling and documentation useful. Making one's own and other's responsibilities clearer is perceived but not unanimously as a benefit, but the interviewees disagreeing about the achieved benefits point out the fact that their responsibilities have already been enough clear before the modelling. According to one interviewee from store level, the created process model would make other process participant's roles clearer, which would in turn make information exchange and communication, especially when facing problems, more



efficient, if those models were only shared with the store personnel. However, the challenges of understanding such a complex process model sent for example via email are acknowledged.

Also understanding the big picture and how one process participant's work affects others' work are mentioned multiple times among the benefits achieved through the conducted process modelling and documentation, which emphasizes the importance of knowing also other's responsibilities as part of the campaign management process. In addition, the existing documentation allowing better process examination through visualization is pointed out in a couple of interviews.

However, some unseized potential lying in the existing process documentation is recognized. For example, the documentation would possibly work as an introduction material, which does not happen at the moment. Also as brought up before, at store level it is felt that somehow utilizing the existing process documentation with store personnel positive outcomes from the process perspective could be achieved.

#### **4.2.4. Summary of the Results**

For the campaign management process IT is considered to be important and without the current IT in use it is hard for the interviewed process participants to imagine the process perform at the level it does now. Although utilizing IT in the process has developed to the better direction, it is still perceived that IT is not supporting the process as it should be. A great deal of important and highly critical work is still conducted manually purely by humans, and this work should be conducted more automatically, reliably and faster with the help of IT, which would have clear positive effects on the performance of the process.

Many interviewees consider clear responsibilities being even the most important factor behind campaign management process success, as despite how simple it might sound, without clear responsibilities no work will be done. One's own responsibilities seem to be clear in the process, but what seems to be occasionally a problem is that the responsibilities of others are not always totally clear, which in turn results in information gaps or more work being required just to figure out, who is the right process participant to interact with in matters occurring during the process.

Cross-functional interaction is seen important and even critical for the process to perform due to the process's truly cross-functional nature, although this cross-functional interaction is felt to be something that can positively be affected by clear responsibilities. There might be single phases in the process, where for example not informing one specific process participant about a change in the campaign product list might result in partial failure of the process as well as theoretically vast damage for the whole company. However,

cross-functional interaction is perceived to be important between those functions and process participants, between which it is really necessary at specific phases of the process. Related to this, perfect transparency was not felt to be needed. There are still challenges related to cross-functional interaction, as many of the interviewees feel that it is hard to keep all the necessary process participants informed in every phase or about occurring situations during the process. Currently the risk to have a significant negative impact on the performance of the whole process in failing in only cross-functional interaction seems to be high.

Working relationships with suppliers or alternatively supplier discipline are considered to be highly important for the process to perform. However, a distinction should be made between the suppliers of sellable products and for example suppliers responsible for printing and delivering the campaign leaflet. In the case of product suppliers, the reality is in many cases more towards supplier discipline, as suppliers would not always perform at the required level without conducting supplier discipline by the process participants from the case company and changing the supplier to another is not always an option. In addition, campaigns are not always totally dependent on single product suppliers. However, in the case of external suppliers responsible for printing and delivering the campaign leaflet, the single supplier needs to perform automatically without such an active discipline conducted by the case company, as in these cases deadlines simply need to be met and succeeding in these phases of the process are often dependent on these single suppliers. When considering suppliers of sellable products, this area is not always working as it should. Almost all the interviewees were able to point out an example of a failed phase with great significance in the campaign management process resulting, according to the interviewees, from poorly performing product supplier.

Personal skills possessed by the process participants are perceived to be very important for the process to perform, although in some roles or tasks the need for a vast and developed set of skills might be lower. Also proper support from IT might lower the requirements for personal skills. The needed skills from process participants can vary remarkably depending on the roles and responsibilities in the process. In addition to skills, in some roles even certain personal characteristics may be critical in conducting the tasks successfully. The personal skills possessed by the process participants are emphasized when problems or something else unexpected occurred during the process needs to be overcome. No challenges related to this success factor were pointed out by the interviewees.

Leadership in its traditional form as a strong managerial supervision is not perceived important for the process to perform in normal conditions, as it is felt more critical for process participants to have the ability to conduct tasks independently. However, during the process, leadership continuously occurs but more in the form of meetings, defining responsibilities, professional sparring, setting goals and deadlines to name a few, whereas

in difficult or exceptional situations the need for strong leadership might increase remarkably and leadership might be crucial in overcoming unexpected problems. One interviewee pointed out that once in a while it would be nice to get recognition for good work even just in the form of expressed words. Another interviewee recognized the challenges related to not having the needed authority to tell other functions what to do for the process's sake, even if it was best purely from the campaign management process's point of view. No other challenges were pointed out by the interviewees.

Goals are seen important and the deadlines and schedules set within the process are the only goals seen unanimously among the most important goals, as the performance of this process is highly dependent on reaching the separate deadlines set for phases and tasks within the process. Also other goals, such as euros generated by the campaign, quality of marketing materials and looks of the store during the campaign, are recognized but these are not perceived to consider all the process participants, as these are more function-specific. The raised development ideas consider mostly translating the campaign's hoped outcomes into precise sales and margin goals for stores, which would help store personnel to understand the expectations of each campaign and guide their actions at store level to the right direction. Also as far white collar employees are concerned, these goals would possibly have positive effect on all the actions made as part of the process.

Interviewed process participants from different functions would emphasize different success factors gone through above. However, none of the interviewees would exclude any of the success factors totally from the framework. However, one interviewee would add an additional box for understanding the process in the big picture.

Process documentation and modelling is mainly perceived useful. The mentioned benefits achieved from the process modelling and documentation include making one's own as well as others' responsibilities clearer, increasing general understanding from the process and understanding the interdependencies between the tasks conducted by different process participants. However, it is perceived that there still remains unseized potential as far as the existing process documentation is concerned, for example they could be used as an introduction material for new process participants and sharing them with the store personnel might have positive effects on store personnel's actions made as part of the process.

In the table 4 the summary of the results gone through are visualized in the form of a table.

**Table 4.** Campaign management process: summary of the findings.

<b>Success Factor</b>	<b>Perceived Importance</b>	<b>Challenges</b>
IT	+++	+++
Clear Responsibilities	+++	++
Cross-Functional Interaction	+++	++
Working Relationship with Supplier	+++	++
Skilled Process Participants	+++	+
Leadership	++	+
Goal Setting	+++	++

<b>Process Modelling and Documentation</b>	<b>Perceived Usefulness</b>	<b>Unseized Potential</b>
Process Modelling and Documentation	+++	++

The logic of the table 4 is exactly the same as in the table 3 explained in the chapter 4.1.4. As it can be seen in the table 4, apart from leadership, all the other six success factors are perceived to be highly important, and also the conducted process modelling and documentation is perceived very useful. Leadership is also perceived important but not highly important.

The greatest challenges are related to the IT, which is felt to have deficiencies in supporting the campaign management process as it should. Challenges also exist, when it comes to clear responsibilities, working relationship with supplier and supplier discipline, cross-functional interaction and goal setting. As far as skilled process participants and leadership are concerned, no meaningful challenges were pointed out by the interviewees. In the case of the process modelling and documentation there seems to lie some potential that has yet to be seized.

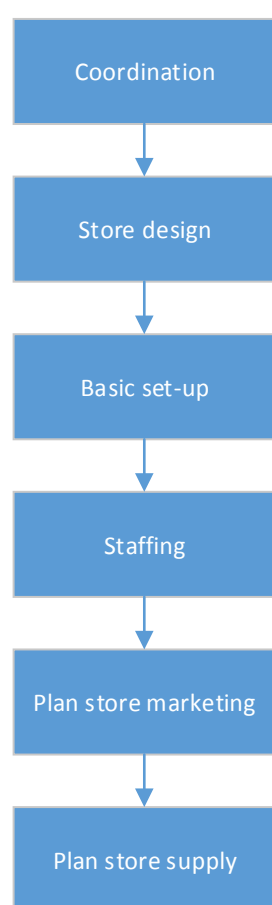
### **4.3. New Store Opening Process**

#### **4.3.1. Description of the Process**

At the single process level the output of the new store opening process is an opened new store, but at the company level the executed new store opening processes make the store network expansion and updating possible, which further contributes to the revenue growth. New stores also attain new customers and affects positively on the behavior of the current customers. In addition, new store act as the arena, where the customer faces the products and the brand of the case company and where also the customer experience and case company's values are actualized. Input for a new store opening process comes from a finalized decision to open a new store on specified location at specified moment

of time or alternatively, from a decision to update an already existing store. The phases in the process are schedule-driven, i.e. the input for the phases to be executed comes from a beforehand agreed schedule. On average between one and three processes are executed every month. One process is ongoing for a few weeks and requires input from many different functions. The success of the process is evaluated based on the new store's commercial success and a qualitative analysis made by the process participants from the whole process.

In the figure 14 there is the process model of the new store opening process. The phases shown in the figure 14, which the process consists of, are coordination, store design, basic set-up, staffing, plan store marketing and plan store supply.



**Figure 14.** *Process model of new store opening.*

As part of the coordination phase legal issues related to workforce are solved. Also roles, responsibilities and deadlines about setting up the new store are clarified and informed to the relevant parties, check-point meetings are held and auditing actions are conducted.

In the store design phase store is designed according to chain concept and persons responsible for construction activities are hired with an agreed schedule. Progress on construc-

tion activities is monitored and also basic-set up activities including electrical installations etc. are coordinated with respect to the actual basic set-up activities. Finally the location is audited and it is ensured that everything is ready for filling the store with products and equipment as part of the basic set-up phase.

In the basic set-up phase the contracts regarding electricity, waste disposal, security, telephone and mail are made so that the all these services will be working when they need to. Also all the physical installations and other supplies supporting daily operations are coordinated and executed with respect to the store design.

In the staffing phase the store personnel is hired and trained and store personnel's gears are ordered so that the personnel is ready to take control of the store. As part of the plan store marketing phase campaign for the new store is planned and defined with local adjustments, opening ceremony is organized and afterwards the results of the store marketing campaign and the whole store opening process are analyzed.

As part of the plan store supply phase product orders including the special campaign products for the new store are placed with known delivery dates and finally the products are delivered and filled to the shelves so that everything is ready for the new store to be opened for consumers.

Among the interviewed process participants meeting the deadlines and agreed schedules are perceived most unanimously as metrics of success in the new store opening process. Some of the interviewees also perceive maintaining clear responsibilities during the whole process as a success metrics so that all the tasks will be done on time without any confusion along the way. Also the high quality of the process output, in other words the ready store that looks good in the eyes of customers, is also mentioned. One interviewee emphasizes the importance of successful communication about the new store to be opened towards consumers so that after the opening the store will be luring customers in and sales are rolling as expected right from the start.

#### **4.3.2. Success Factors**

The role of IT is perceived unanimously important in the new store opening process, although different process participants emphasize different aspects in IT. Every process participant interviewed points out IT's important role in internal communication, part of which schedules and responsibilities are shared, distant meetings are held and information is agilely distributed. Other things enabled by IT are employee recruiting systems, continuous availability of data used for creating budgets and assortment classes, ordering correct quantities of products, project scheduling, submitting orders and checking practically anything important from the new store opening's point of view. As one interviewee describes the impact of IT on the interviewee's efficiency in the process:

*“If we went back to 1970s, I should reserve probably two weeks of working time for doing my part in the process, as now it takes maybe two working days.” (Interviewee #13)*

Overall, IT is perceived to make the process faster and more agile. However, some of the interviewees recognize the development needs in the area of IT as part of the new store opening process. One interviewee argues that an advanced and mutual project scheduling software with access for every process participant regardless of the participant's physical location would be needed, which would make the communication even faster. Another interviewee sees that IT could offer some help in bettering cross-functional interaction even with already existing IT, as all the potential offered by the current IT tools may yet to be seized. However, one interviewee points out the information flood coming from email causing confusion and possible misses of important pieces of information. One interviewee perceives that there are still some tasks executed in non-efficient and time consuming way by filling and sending Microsoft Excel files back and forth to other process participants, which should be able to do nowadays in a more sophisticated and easier way.

In the examples of executed processes brought up by the interviewees clear responsibilities seem to be connected with success both in positive and negative way. Clear responsibilities are perceived as an important factor behind success. Especially before unclear responsibilities have affected new store opening processes performing at lower level than nowadays. As one interviewee describes the impact of clear responsibilities on the process success:

*“Before the role of the process participant 1 was highly unclear as well as the role of the process participant 2, but now that these roles have been clarified, it has been among the factors with largest impact on the current state of the process, where stores can be opened within extremely tight schedules.” (Interviewee #13)*

It seems that generally it is perceived that before there were more problems related to the unclear responsibilities, but that they have become all the time clearer and nowadays as a whole the state of clearness of responsibilities seems to be at an acceptable level. In some cases the effects of still unclear responsibilities still occur, such as the information flood via email resulting, according to one interviewee, from unclearness among process participants who to inform about specific matters occurring during the process and that it should be more clearly defined who to inform about each matter so that not everyone needs to be informed about everything.

Cross-functional interaction is seen important as well, although most interviewees consider, similarly to the findings with the previous processes, that there is no need for perfect transparency in terms of continuous cross-functional interaction throughout the whole process for all the process participants. Cross-functional interaction is mainly perceived important between those process participants and functions between which it is necessary

at different moments in the process. In addition, there might actually be roles that have to interact over the different functions only extremely little. However, two interviewees point out the need especially for the project leader to have something more like an overall transparency and that in this role cross-functional interaction with all the functions involved throughout the whole process is probably necessary. One interviewee emphasizes the role of the continually held meetings with the necessary process participants from different functions present in conducting the needed cross-functional interaction. One interviewee argues that it is pointless for the interviewee to interact with other functions, but acknowledges that there are probably roles in the process, in which greater cross-functional interaction is necessary. This same interviewee further expresses that as now the whole process and the interviewee's and other participants' roles are well documented and acknowledged, there is no need to continually interact over the functional boundaries. According to the interviewee, this is due to the interviewee having the necessary overall understanding of the process to act in the process independently without the need to continually clarify what others are doing, how their actions might affect the interviewee's tasks or how the other roles in the process should be taken into account.

Also in the case of cross-functional interaction ideas for development are pointed out. One interviewee expresses the benefits of adding more transparency with the help of a wrap-up meeting about the executed new store opening process, where the process and its execution would be gone through with all the process participants and functions involved. In this meeting both successful and failed outcomes would be analyzed and lessons would be learnt. This same interviewee also feels that the amount of meetings held throughout the process with different functions present should be increased. One interviewee argues that there are probably some roles in the process that the participants feel they are left out from communication and cross-functional interaction, which might cause even resistance as the need for the requests is not understood. Actions to improve this should be made, as this usually have direct and negative effect on team spirit in opening a new store. One interviewee feels that many smaller parts in the process are still performing poorly, when for example some materials are always missing or late from the store to be opened, which is caused, according to the interviewee, by the lack of necessary interaction and communication between the relevant functions.

Working relationship with external suppliers is perceived highly important for the new store opening to be successful due to the tight schedules of new store openings. However, bit similarly to the findings made in the campaign management process, a distinction between suppliers of sellable products and suppliers of store equipment should be made. It is important that both the correct amounts of products and equipment ordered are delivered to the store on time, but in the case of product suppliers the new store opening is not dependent on single suppliers and the store could in theory very well be opened even without the presence of the most important brands. But when it comes to the suppliers of equipment, it is hard to imagine opening the new store without cash systems or shelves.



Of course in most cases of equipment suppliers there are alternative options if one supplier totally fails to perform, but still in these cases the performance of single suppliers is more critical for the new store opening than it is in the case of single suppliers of sellable products. Some of the examples of unsuccessful new store opening processes pointed out by the interviewees, when the set deadlines have not been met, are perceived to have been caused by the external supplier's inability to perform as promised, but according to one interviewee things related to this have generally become better.

As far skilled process participants are concerned, the interviewees seem to have a consensus that in some roles the personal skills possessed by the process participants are extremely important and even critical for the process to be successful, whereas in other roles they might not be that critical. Two interviewees express that actually, according to them, they could very well be replaced by other people, although it would require instructing and usable and easily available data for decision making. The skills needed in the new store opening process vary significantly depending on the roles and responsibilities. In managing the whole process a vast set of different skills are needed. In some roles industry-related knowledge about products, customers and markets are of highest importance, whereas in other roles among the most important skills can be project leadership, ability to recognize and implement hardly expressible successful characteristics of a new store, designing skills and the tacit knowledge usually gained through process experience. Also the importance to have the right people with appropriate personal characteristics and experience in the right roles is pointed out explicitly by multiple interviewees.

The importance of skilled process participants is also emphasized in the examples pointed out by the interviewees. Before employees from one specific function were participating with more comprehensive responsibilities in the new store opening, although executing projects such as new store opening were not any point considered or required to be among the key areas of their expertise. Nowadays the input of the employees from this function has been radically reduced, and they are concentrating on handling the tasks in the area of their real expertise, and their roles in the process have been overtaken by process participants from the function, whose expertise is in new store openings. As a result the process is performing better. This only enlightens the importance of having right people with right skills in the right roles in the process. Different kind of skills are needed and they should always fit each role as well as possible.

One example also emphasizing the skills or in this case actually experience possessed by the process participants pointed out in the interviews was a conducted new store opening, in which the landlord of the location of the new store had set specific time frames during which the new store could be supplied with products and equipment, which is exceptional for new store openings. However, according to one interviewee, the process participants in the case company were not able to take these exceptional arrangements well enough

into account nor understand the risks related to it due to the novelty of this exceptional situation. This led to occasional availability problems in the store right after the opening, as in the beginning the product deliveries were simply failed due to the time arrangements that were not taken into account well enough.

Leadership is mostly perceived very important, although one interviewee expresses that in the interviewee's role in normal situations there is no need for daily leadership to any direction, which is due to the clearness of responsibilities and the totality of the interviewee's work tasks. However, all the interviewees perceive that in exceptional situations, where for example unexpected problems occur, lot of obscurity exists or new employees without experience are being introduced to the process, there is need for stronger leadership and practical guiding. However, in normal situations the nature and objects of the leadership conducted depends on participant's role in the process. One interviewee perceives that it is most important for the interviewee to concentrate on managing external equipment suppliers, for another it is important to be a good leader in the physical construction phase by supporting, motivating, rewarding, keeping the good team spirit up and guiding and prioritizing the practical work, whereas in third case the leadership is only needed when problems occur. Also some of the interviewees argue that due to the gained experience and expertise in building new stores possessed by the current process participants, the need for leadership has, however, decreased although it is still needed and considered to be highly important for the process to perform.

In the case of leadership only some minor areas of development are recognized, as nowadays the need for leadership has been acknowledged, practices have been tuned and leadership is taking place all the time. However, one interviewee would highlight in the future the importance of the initiative meeting in the new store opening process as one form of leadership, where the roles and responsibilities are clarified and communicated to all the necessary process participants.

Goals are seen to be as well extremely important and as the most important and recognized goals are the set schedules and deadlines, without which new stores would not be opened on time. Other important goals mentioned include the success of the new store opening in terms of sales, qualitative goals regarding how the store eventually looks like and hour budgets reserved for building the new store.

Challenges related to goals seem to consider the qualitative goals of how the new store should look like and what are the most important things that should with most care be taken care of. These wanted outcomes regarding the visual aspects of the new store are hard to translate into clear, measurable and objective goals, although it is highly important that the ready store has the right qualitative properties in the eyes of the customers. For example, the case company has so called store and brand concepts that can be seen as qualitative goals for the new store's properties, which are guiding the work in the process

towards the wanted outcome. However, sometimes it is noticed that the ready store is just missing something and it does not look as good as it maybe should, but which is, however, hard to express in words. This is something that can be avoided by using process participants with a great deal of experience gained from building new stores, but still setting and managing with this important goal is often challenging and may need continuous support and leadership from others who have the right eye for how the new store really should look like. Naturally the challenging nature of this goal is emphasized more when new employees are taking part in the building phase of the process.

When asked from the interviewees how they would tune the framework for the successful BPM gone through in the interview, all of them considered the framework to cover all the necessary parts in managing the new store opening process towards success and none of them saw a reason to exclude totally any of the success factors from the framework. However, many of the interviewees considered the role of leadership being highly dependent on the other areas in the framework. For example, if responsibilities are clear together with set and well acknowledged goals and well performing suppliers, the need for leadership is smaller but not totally non-existent. Similarly, in the undesirable state where the responsibilities are not clear the need for leadership obviously increases. According to one interviewee the process would perform at least in some level even with the less presence of skilled process participants, cross-functional interaction and IT, although in that case the process would include a lot more hassle.

#### **4.3.3. The Benefits of Process Modelling and Documentation**

All the interviewees considered the conducted process modelling and documentation useful or would have considered it useful if the documentation was only utilized. The main benefits of the process modelling and documentation seem to lie in making one's own as well as others' roles and responsibilities in the process much clearer. According to one interviewee this modelling and documentation has bettered the self-imposed way of starting and conducting tasks in the process with decreased need to push people. In one example told by an interviewee, before in the process there was an important responsibility for commercial success, which practically was not defined at anyone's responsibility. During the process modelling phase this gap was paid special attention to, responsibilities were defined together and committed to, which has in turn remarkably bettered the commercial success in the later new store openings executed.

Other benefits that were brought by the interviewees are emphasizing the importance of the new store opening, increased general understanding of the process, usability as a worklist and emphasizing the agreed schedule and deadlines set within the process. Also using the documentation as an introduction material for a new process participant taking part in the process was mentioned, but this way of utilization, however, remains yet to be implemented. However, many interviewees argue that the existing documentation should

somehow be utilized more widely as it currently is. Generally it can be interpreted that among interviewees it is perceived that the full potential of the existing documentation is probably still far from fully seized.

#### **4.3.4. Summary of the Results**

IT is seen as an important factor behind the success of the new store opening process, although in some areas even without IT the process could be executed and managed, which would, however, cause slowing and disrupting factors to the process. As far IT is concerned, multiple areas of development were recognized although with specific emphasis depending on the interviewee and the interviewee's role in the process. One interviewee would consider implementing totally new IT solution for advanced project planning and scheduling, whereas another would concentrate on seizing the potential possessed by the current IT setup already in use to improve cross-functional interaction. Third one would concentrate on automating tasks currently being executed manually.

The clear responsibilities are perceived to be important from the process perspective. Before there were more problems related to clear responsibilities, but nowadays it has developed to the right and better direction. Occasionally some effects of unclearness of especially others' responsibilities can still be observed according, such as information flood presumably resulting from unclearness among process participants who to inform about each occurring matter in the process. However, the discussion about unclear responsibilities stayed rather superficial in the case of this process, as the clear responsibilities were added to the question frame of the interview only after some interviews already conducted. However, the importance of clear responsibilities became clear.

Cross-functional interaction is perceived important as well but mainly between only those process participants and functions that it is at any moment appropriate and truly needed. The project leader, however, might have the need to have the overall transparency from the process and the possibility to conveniently interact with any function involved in the process. The amount of cross-functional interaction needed depends on the process participant's role in the process, as in some roles more cross-functional interaction is needed more often, whereas in some roles there might be almost no need at all for this kind of interaction, if only the necessary general understanding about the process is possessed. Need for development is also recognized. There might be need to increase regular cross-functional interaction in the form of held meetings during the whole process and especially after the opening of the new store to go through the successes and failures occurred during the process. Some roles in the process may feel being left out from communication and generally it would be wise to increase the needed cross-functional interaction to avoid the negative outcomes currently being observed.

Working relationship with external suppliers is important, although the success of the new store opening is more dependent on single equipment supplier than single supplier of sellable products. There have been failures in the process in terms of exceeded deadlines, which have been perceived to result from poorly performing suppliers, but to this date the things have developed to better direction. The required performance of suppliers seems to be preserved by automatically well performing suppliers or by actively conducted supplier discipline.

Skilled process participants are important and can be extremely critical in some roles, but the criticality of personal skills as well as the required set of those skills vary a lot depending on the roles and responsibilities in the process. Also the need to have the right kind of people with right skills in the right roles is emphasized. Before in this process there were some deficiencies in having the right people with right skills in the right roles, but this was acknowledged and reacted to. No challenges currently existing related to this success factor were pointed out by the interviewees.

Although the gained experience by the process participants from the process may have decreased the need for leadership, it is still considered to be important throughout the whole process. However, the type, object and amount of leadership varies depending on the roles and responsibilities of the process participants. Unanimously the need for leadership is especially emphasized when something unexceptional, unconventional or abnormal occurs during the process execution. To this date, the leadership has been tuned and nowadays leadership is mainly working in the process as it should. Only minor development proposals are pointed out. For example, one interviewee would emphasize the role of the initiative meeting as part of the leadership in the process.

Goals are seen important as well and as the most cited goals are the schedules and deadlines set, without which not a single store would be opened on time. Also other goals are recognized to be important such as sales, hour budgets and the desired looks of a new store. The recognized development areas or challenges in this case are related to the desired looks of a new store, which is many times hard to express in words not to mention translating it into a well-working and objective goal.

Process modelling and documentation is considered to be highly useful and the main benefits are perceived to be making one's own and others' responsibilities clearer. Also the unclearness of the important responsibility for commercial success of the new store opening was paid attention to and the responsibility was clarified and agreed on. As other benefits mentioned were increased general understanding about the process, process documentation's usability as a checklist and highlighting the agreed schedules within the process. Also the conducted process modelling and documentation was felt to emphasize the importance of the whole process with positive effects on the tasks conducted as part

of the process. However, it is perceived that there lies still a great deal of unseized potential in exploiting the existing process documentation and that it should be utilized more widely than it currently is.

In the table 5 the summary of the results gone through are visualized in the form of a table.

**Table 5.** *New store opening process: summary of the findings.*

<b>Success Factor</b>	<b>Perceived Importance</b>	<b>Challenges</b>
IT	+++	++
Clear Responsibilities	+++	+
Cross-Functional Interaction	+++	++
Working Relationship with Supplier	+++	+
Skilled Process Participants	+++	+
Leadership	+++	+
Goal Setting	+++	++

<b>Process Modelling and Documentation</b>	<b>Perceived Usefulness</b>	<b>Unseized Potential</b>
Process Modelling and Documentation	+++	+++

The logic of the table 5 is exactly the same as in the table 3 explained in the chapter 4.1.4. As it can be seen in the table 5, all the seven success factors are perceived to be highly important and also the conducted process modelling and documentation is perceived very useful.

Level of challenges is not critical in any of the seven success factors, although meaningful challenges exist, when it comes to IT, cross-functional interaction and goal setting. As far as clear responsibilities, working relationship with supplier and supplier discipline, skilled process participants and leadership are concerned, no meaningful challenges were pointed out by the interviewees. In the case of the process modelling and documentation there seems to lie a great deal of unseized potential.

#### **4.4. Summary of the Results and Generalization**

The table 6 summarizes the findings from each process already shown in the tables 3, 4 and 5. The success factors have been sorted by the perceived importance and challenges from largest to smallest. Also the observations made from process modelling and docu-

mentation have been sorted by the perceived usefulness and unseized potential from largest to smallest. Next the results are gone through by comparing findings made among the different processes shown in the table 6.

*Table 6. Summary of the findings – full version.*

<b>Success Factor</b>	<b>Perceived Importance</b>	<b>Challenges</b>
<b>IT</b>	+++ +++ +++	+++ +++ ++
Product Lifecycle Management	+++	+++
Campaign Management	+++	+++
New Store Opening	+++	++
<b>Cross-Functional Interaction</b>	+++ +++ +++	+++ +++
Product Lifecycle Management	+++	++
Campaign Management	+++	++
New Store Opening	+++	++
<b>Goal Setting</b>	+++ +++ +++	+++ +++
Product Lifecycle Management	+++	++
Campaign Management	+++	++
New Store Opening	+++	++
<b>Clear Responsibilities</b>	+++ +++ +++	+++ ++
Product Lifecycle Management	+++	++
Campaign Management	+++	++
New Store Opening	+++	+
<b>Working Relationship with Supplier</b>	+++ +++ +++	+++ +
Product Lifecycle Management	+++	+
Campaign Management	+++	++
New Store Opening	+++	+
<b>Skilled Process participants</b>	+++ +++ +++	+++
Product Lifecycle Management	+++	+
Campaign Management	+++	+
New Store Opening	+++	+
<b>Leadership</b>	+++ +++ ++	+++
Product Lifecycle Management	+++	+
Campaign Management	++	+
New Store Opening	+++	+
<b>Process Modelling and Documentation</b>	<b>Perceived Usefulness</b>	<b>Unseized Potential</b>
<b>Process Modelling and Documentation</b>	+++ +++ +++	+++ +++
New Store Opening	+++	+++
Campaign Management	+++	++
Product Lifecycle Management	+++	+

IT is seen as an important success factor in all of the three processes and process participants from all the three processes recognize challenges and development potential in the



area of IT. However, IT is the only success factor perceived to have significant level of challenges. In the product lifecycle management and campaign management processes the perceived challenges are at the significant level, and one might argue that the need to find a solution to overcome those challenges is critical. Especially in the case of product lifecycle management process the current IT in use as a whole is perceived to support the process poorly. In the campaign management process the case is highly similar. In the case of new store opening process a fair amount of recognized challenges exist as well, but the recognized challenges do not seem to be that fundamental from the process perspective and overcoming those challenges might actually be regarded more as fine-tuning the management of the process than solving critical issues.

Cross-functional interaction is seen highly important throughout all the three processes, but mainly between only those process participants between which the interaction is truly needed in any phase of the processes. However, for the owner of the process there might be need to have the overall transparency from the process throughout its execution at least in the new store opening and product lifecycle management processes. Although cross-functional interaction is perceived important throughout all the processes, in the product lifecycle management and campaign management processes the need for continuous, but relevant cross-functional interaction covering all the process participants taking part in the process seems to be more evident. Although without cross-functional interaction the new store opening process would not perform as it does now, the continuous need for it is not as dominant as in the other two processes. There might be roles in the new store opening process that do not need almost any interaction with other functions or process participants, if the necessary understanding of the whole process is only possessed.

As far cross-functional interaction is concerned, meaningful challenges are recognized in all of the three process, although the types of the perceived challenges vary depending on the process. As part of the product lifecycle management process information flood seems to occasionally occur but on the other hand important information is not always exchanged between the relevant process participants. One process participant feels that the perfect transparency currently lacking from the process is preventing the process participant to contribute to the management of the process optimally. In the campaign management process it is difficult to remember or even know who to inform about occurring situations in the process, important information is sometimes shared too late and the risk to have negative impact on the whole performance of the process by failing in cross-functional interaction seems to be high. In the case of new store opening process there might be need to increase the cross-functional interaction in the form of held meetings including the wrap-up meeting after the process has ended, some functions probably feel being left out from the needed communication and negative outputs possibly resulting from poorly working cross-functional interaction are being observed.

Goals are seen important, although the goals perceived most important depend on the process or even on the roles within a process. For example, in the case of campaign management and new store opening processes the schedules and set deadlines are unanimously perceived as extremely important goals and these time-related goals seem to be among the most important ones regardless of the function or the role of the process participant interviewed. However, other important goals are pointed out but not unanimously, such as euros generated by the campaign, reasonable stock values and drawing customers to the store in the campaign management process and desired looks of the new store and the success of the opening campaign in the new store opening process. In the case of product lifecycle management process goals perceived most important vary more and seem to be more function-specific or even role-specific. The following goals are mentioned among others: schedules for new product launches, stock adequacies, optimizing product availability and maintaining an efficient and profitable product assortment.

Process participants from all the three processes recognize meaningful challenges. In the case of product lifecycle management process it is felt that recent failures in the last phase of the process, where the products outgone from assortment should have been cleared from the stock more efficiently, could have been avoided if the goals had been set more appropriately for relevant process participants. Also setting more process-wide goals overlapping the functional boundaries and goals for selecting the right suppliers were mentioned as possibilities to develop this area behind BPM success. In the case of campaign management process by translating the campaign's hoped outcomes into precise sales and margin goals applying to both store and office personnel positive effect on the process performance might be achieved. In the case of new store opening process translating the desired looks of a new store into a concrete goal would be highly useful but at the same creating such a goal is perceived to be challenging. The desired looks of a new store is often hard to express even in words not to mention translating it into an objective goal, due to which the desired looks is typically ensured by the supervision by process participants with a great deal of experience in new store openings.

Throughout all the processes clear responsibilities are perceived unanimously and in many cases self-evidently highly important or even most important for the successful management of the process. With clear responsibilities work is conducted, deadlines are reached and expectations are acknowledged by the process participants. Although challenges exist, it is as well widely acknowledged that responsibilities have become clearer all the time. Challenges are recognized at moderate level in the campaign management and product lifecycle management processes and at low level in the new store opening process. However, in the campaign management and new store opening processes the need to make especially others' responsibilities clearer is emphasized, whereas in the case of product lifecycle management the challenges and challenges seems to be more holistic. In the new store opening process only the information flood resulting from unclear responsibilities via email was pointed out. However, it is good to keep in mind

that the question about clear responsibilities was added to the question frame after a couple of already conducted interviews within the new store opening process. In the case of campaign management process unclear responsibilities of white-collar workers in the eyes of store personnel are resulting in inefficiencies at store level, although also among white-collar employees important information is not always exchanged, which is perceived to result from unclear responsibilities of others. However, in the case of product lifecycle management process both one's own and others' responsibilities are occasionally unclear with already actualized negative impacts on the whole process performance. For example the failures in the last phase of the process are perceived to have actualized simply due to the reason that the responsibility for the phase has not simply been defined precisely enough.

Working relationship with supplier or alternatively supplier discipline is perceived important for all the processes to perform and it has always positive effect on process performance. However, the criticality of single suppliers and the need for supplier discipline vary depending on the processes and suppliers' tasks in the process. For example, in the case of suppliers of sellable products the reality often is actively conducted supplier discipline by the case company's process participants, without which all the suppliers might not perform automatically at an acceptable level. In the cases of external suppliers responsible for printing and delivering the campaign leaflet in the campaign management process and supplying the equipment to the store in the new store opening process the relationship itself needs to be well-working, as the whole process might be dependent on this phase, which is totally on one external supplier's responsibility. However, in the product lifecycle management and new store opening processes the required performance of the supplier seems to be achieved through actively conducted supplier discipline or automatically well-performing suppliers. As far as campaign management process is concerned, the negative impacts on the performance of the whole processes resulting from suppliers not performing at the required level are perceived to be higher.

Personal skills possessed by the process participants are perceived unanimously important throughout all the three processes. Especially in situations with problems or other disruptive factors present or those moments in the process with large impact on its success the importance of this success factor is emphasized. However, different roles and responsibilities need different sets and level of skills and the importance to have process participants with relevant skills in each role is unanimously emphasized in all of the three processes. However, especially in the product lifecycle management and campaign management processes it is perceived that with proper support from IT, clear processes and good instructions the requirements for personal skills can be decreased. During the interviewees none of the interviewed process participants from different processes pointed out challenges currently regarding this success factor. The challenges confronted earlier have already been reacted to and solutions to them have been implemented. However, one interviewed process participant from the product lifecycle management process argues that in

the future special attention should actually be paid to keeping the skills of employees at the required level along the growing expectations and requirements.

Leadership is also perceived important throughout all the three processes, although the form of it seems to vary depending on the process and roles in there or even personal characteristics of process participants. For example, in the case of campaign management process the ability to work independently in normal situations seems to be unanimously more important than the need for strong supervision from up, whereas in the other two processes the need for leadership is totally dependent on the roles, responsibilities, skills possessed and personal characteristics of the process participants. Leadership can be actualized through meetings, professional support, leading employees to the right direction, schedules and deadlines in calendar, clarified responsibilities, ensuring enough resources, motivating, rewarding, making critical decisions and prioritizing. However, what seems to be agreed throughout all the three processes is that in problematic and unexpected situations or during the presence of other disruptive factors the need for leadership increases. In the case of product lifecycle management process it is felt that due to deficient support from IT, occasional non-fulfillment of the agreed responsibilities, the case company's growth pace, changes in the process itself and a great deal of simultaneously ongoing processes the need for leadership is currently emphasized, whereas one interviewee from the new store opening process argues that the need for leadership has decreased due to the increased experience of the process participants. Some minor challenges or development ideas are recognized. In the new store opening process it might be reasonable to emphasize the role of initiative meeting, whereas one interviewee from the product lifecycle management process proposes a possible need to define leadership responsibility for the whole process for someone. In the campaign management process it is felt in some roles that more recognition for good work and motivating could take place, and that it is sometimes hard to conduct the leadership perceived to be needed over other functions due to the functional hierarchies and responsibilities.

As it can be seen in the table 6, all the six success factors presented in the framework for successful BPM in retail based on the literature review plus the seventh one, clear responsibilities that was added to the frame of the interview after a couple of conducted interviews, are perceived to be important. None of the interviewees would exclude any of the seven factors totally from the framework. In the case of every process some process participants would give more importance for specific success factors and less importance for others, whereas some would keep the framework as presented to them during the interview and not give more or less emphasis on any of the areas present in the framework. However, adding general understanding of the process as a new element to the framework was proposed explicitly in one interview and implicitly in multiple interviews, as if the general understanding of the process is possessed, other roles and tasks in the process are understood and can be taken into account in one's own work, which in turn would possibly have positive effect on the whole performance of the process.

In all of the three processes the conducted processes documentation and modelling is perceived highly useful and the main benefits achieved lie especially in making one's own and others' responsibilities clearer as well as increasing the general understanding about the process as a whole. Other but more rarely mentioned benefits achieved through process modelling and documentation include paving the way for process development, process model's usability as a checklist and highlighting the importance of the process under modelling. However, process participants especially from the new store opening process and also from the campaign management process feel that there still exists unseized potential in the process documentation and that it should be tried to be utilized more. In the case of product lifecycle management process none of the interviewees pointed out the unseized potential still existing in this area.

In the table 7 the findings from each process under examination within this thesis including product lifecycle management process, campaign management process and new store opening process are summarized by simply summing the plusses given to the dimensions for each process in the table 3, table 4 and table 5. In the table 7 the success factors have been sorted by the perceived importance and challenges from largest to smallest.

**Table 7.** *Summary of the findings at success factor level.*

<b>Success Factor</b>	<b>Perceived Importance</b>	<b>Challenges</b>
IT	+++ +++ +++	+++ +++ ++
Cross-Functional Interaction	+++ +++ +++	+++ +++
Goal Setting	+++ +++ +++	+++ +++
Clear Responsibilities	+++ +++ +++	+++ ++
Working Relationship with Supplier/Supplier Discipline	+++ +++ +++	+++ +
Skilled Process Participants	+++ +++ +++	+++
Leadership	+++ +++ ++	+++
<b>Process Modelling and Documentation</b>	<b>Perceived Usefulness</b>	<b>Unseized Potential</b>
Process Modelling and Documentation	+++ +++ +++	+++ +++

As it can be seen in the table 7 and also gone through earlier in this chapter, all the seven success factors are perceived extremely important in managing all the three processes, although the importance of leadership is slightly lower due to the bit less perceived importance in the campaign management process. In the case of the two success factors, leadership and skilled process participants, interviewed process participants did not point significant challenges currently regarding the success factors. Also the combination of working relationship with supplier and supplier discipline seem to be working quite well

in securing the performance of the supplier group relevant for each process. Cross-functional interaction, goal setting and clear responsibilities include challenges at moderate level. IT is perceived as the success factor with the most and even critical challenges, although both the potential and need for development is recognized in other processes as well.

When it comes to the conducted process modelling and documentation, it is perceived highly useful with positive outcomes in all of the studied processes. However, unseized potential in the existing process documentation is perceived to meaningfully exist, although process participants only from the new store opening and campaign management processes were able to point out this still unseized potential.

Table 8 illustrates the perceived importance of success factors and level of challenges related to them at process level. Bigger the percentage, higher the perceived importance of the seven success factors and higher the level of recognized challenges. The percentages have been calculated by dividing the amount of summed plusses given to each process shown in the table 6 by the maximum amount of plusses separately for the success factor importance and for the level of challenges. Here the success factor importance means the total importance for all the seven success factors shown in the table 6.

**Table 8.** *Summary of the findings at process level – success factors.*

<b>Process</b>	<b>Success Factor Importance</b>	<b>Level of Challenges</b>
Campaign Management	95 %	62 %
Product Lifecycle Management	100 %	57 %
New Store Opening	100 %	48 %
<b>Total</b>	<b>98 %</b>	<b>56 %</b>

Regardless of the quantitative percentages shown in the table 8, the analysis conducted is qualitative and thus, special attention should be paid to interpreting the percentages based on the table 8. In order to avoid quantifying results based on qualitative analysis, the percentages in the table 8 only illustrate the qualitative interpretation of the dimensions and differences in the importance and level of challenges among the examined processes. As it can be seen in the table 8, all the success factors are perceived highly important for the successful management of the processes, although in the campaign management process the importance of one factor, leadership, is slightly less. As far as the perceived levels of challenges related to the success factors are concerned, challenges clearly exist in all of the examined processes. However, the highest levels of challenges are present in the campaign management and product lifecycle management processes.

In the table 9 the percentages for the perceived usefulness and unseized potential of the process modelling and documentation have been calculated in the same way as in table 8. Also the restrictions related to the interpretation of the figures are same.

**Table 9.** *Summary of the findings at process level – process modelling and documentation.*

<b>Process</b>	<b>Perceived Usefulness</b>	<b>Unseized Potential</b>
New Store Opening	100 %	100 %
Campaign Management	100 %	67 %
Product Lifecycle Management	100 %	33 %
<b>Total</b>	<b>100 %</b>	<b>67 %</b>

As it can be seen in the table 9, the conducted process modelling and documentation is perceived unanimously highly important. However, in the unseized potential greater differences exist among the examined processes. In the new store opening process recognized unseized potential is the most significant followed by the campaign management process. However, in the case of product lifecycle management process unseized potential is recognized the least.

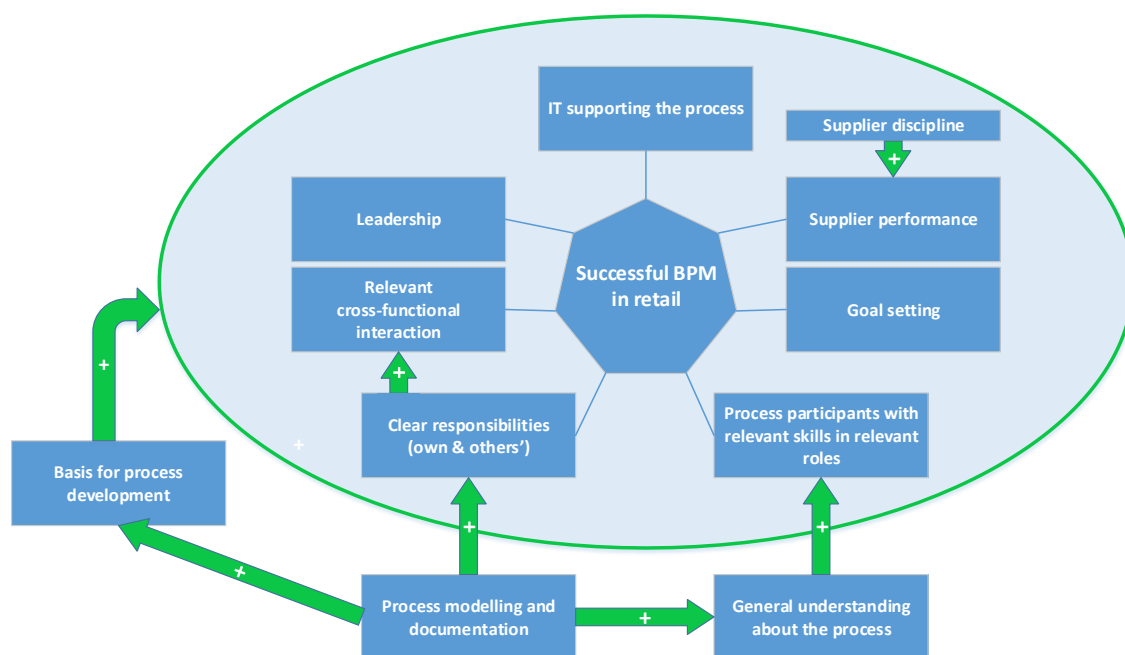
## 5. DISCUSSION

### 5.1. Answering the Research Questions

The research questions of this thesis were the following:

- What are the factors relevant to successful BPM at the single process level in retail environment from retailer's point of view?
- What kind of challenges are there related to those success factors?

The research questions were answered. Factors relevant to successful management of business processes in retail environment were recognized and challenges related to them were as well identified. In the figure 15 there is the revised framework for successful BPM in retail at the single process level based on the results gone through in the chapter 4. The revised framework in the figure 15 illustrates the success factors relevant to the successful BPM in retail environment from retailer's point of view and the interdependencies between the factors.



**Figure 15.** Revised framework for successful BPM in retail.

As it can be seen in the figure 15, based on the findings made in the empirical part a one totally new direct success factor, clear responsibilities including the clarity of one's own as well others' responsibilities, was added to the revised framework compared to the framework built based on the literature review and presented in the figure 8. All the original success factors still remain in the revised framework, although some of the success



factors have been modified based on the findings made. Instead of just generally skilled process participants it is important to have each role in the process filled with process participant with relevant skills fitting especially that role. Also working relationship with supplier was modified and replaced with supplier performance, which is achieved spontaneously or through actively conducted supplier discipline by the retailer. Based on the findings made, cross-functional interaction is highly important, but it should always be relevant meaning that it is conducted in a controllable way so that only the relevant but all the relevant process participants in any moment along the process execution are interacting with each other. As far as IT is concerned, it should truly support the management of the business process in question. Leadership and goal setting remain in the revised framework as they were presented based on the literature review.

In addition, three indirect success factors were added to the revised framework including general understanding about the process, process modelling and documentation and its outcome as being basis for further process development. Moreover, the clearest and most explicit interdependences between the factors have been drawn. However, especially the three indirect success factors and the interdependencies added do not necessarily present the holistic view about the matter, as only those ones pointed out in the clearest way and most explicitly by the interviewees are included in the figure 15. As far as the interdependencies shown as arrows are concerned, they describe positive effect of one factor on another. Process modelling and documentation was found to make one's own and others' responsibilities clearer, increase the general understanding about the process and work as basis for further process development. By increasing general understanding about the process can be seen to have positive effect on the process participant's skills as process participants are able to take other parts in the process better into account and guide their actions towards a more successful way from the process perspective. Clear responsibilities can have positive effect on cross-functional interaction, as making especially others' responsibilities clear one should at least know with whom to interact at any moment in the process.

As far as the challenges related to the presented success factors are concerned, both the nature and level of the challenges may vary a lot depending on the success factor, as was presented in the chapter 4. IT can easily be felt as a critical challenge for current management of the process and become a bottleneck for further process performance improvements in terms of speed, quality and reliability, if it does not support the process properly as a whole. The typical challenges related to cross-functional interaction are the two extremes, where the important information is not exchanged with all the relevant parties or that there exists a continuous information flood including both relevant and irrelevant information. As far as goal setting is concerned, there might be multiple process outcomes that would be reasonable and useful to convert into concrete and easily measurable goals, which would guide the whole process to the right direction if the goals were only created

and agreed on. However, in some cases the lack of these goals might be due to the difficulty to convert those process outcomes into concrete and measurable goals. Despite its self-evident importance, one's own responsibilities are not always clear, which can lead to necessary work not being conducted at all. In addition, responsibilities of others are even more often unclear, which can result in confusion and inability to take other parts in the process into account.

Supplier performance, leadership and process participants with relevant skills in relevant roles seem to be with less challenges or without any challenges at all. Although suppliers are not always performing as expected, the necessary performance of the supplier group relevant for each process seems to be mainly achieved either through spontaneously or actively conducted supplier discipline by the retailer. As far as leadership is concerned, challenges are related to the difficulty to define and implement leadership responsibility for the whole process possibly having positive effect on the process performance and occasional negligence of encouraging and recognizing for good work even in the business processes that are in the very core of retailer's business. Challenges previously confronted in the case company at having process participants with relevant skills in relevant roles were simply related to having employees in the roles for which they did not have relevant skills and experience. However, especially the findings made related to these challenges may not be generalizable as they might be highly case-specific.

To conclude, by securing the fulfillment of the seven direct success factors gone through above in a cross-functional retail business process with the presence of external supplier, the successful management of the process should be better guaranteed. If the IT is properly supporting the process, all the responsibilities of both one's own and others are clear, relevant cross-functional takes place, process participants in different roles are equipped with relevant skills fitting the role, supplier is performing with the help of supplier discipline if needed, leadership is conducted and goals are properly set to guide participants' work to the right direction, the successful management of the business process should be better guaranteed. As one interviewee describes:

*"If you succeed in all of those areas, the probability for successful process execution is high." (Interviewee #1)*

However, it is good to keep in mind that the importance of the success factors depends on the process, roles, responsibilities and in some cases even personal characteristics of the process participants. How to emphasize different factors and how much is always case-specific and thus, generalizations related to this are not reasonable to make. However, all of the success factors are important and none of them should be totally excluded from the framework.

## 5.2. Key Findings with Respect to Previous Studies

As far as the found success factors as a whole are concerned, successful BPM in retail environment at the single process level needs support from multiple different areas, as shown in the revised framework in the figure 15. With respect to the previous studies in retail, the need for this kind of vast support from different areas in order for BPM to be successful is present in the studies made but usually sporadically. In the studies concentrating on processes in retail, typically one or only few areas have been investigated within one study, and a holistic view on managing single processes successfully has been lacking, due to which comparing the found framework as a whole to the findings made in the research in retail is challenging. Comparing the findings made within this thesis at the single success factor level to the previous studies is more appropriate, which is discussed later in this chapter.

Comparing the findings made within this thesis to the previous BPM research is as well challenging as the perspective in the BPM studies has in many cases been a bit different. Many studies have concentrated on the holistic BPM or simply BPR at program or company level (e.g. Al-Mashari et al. 2001; Hung 2006; Pritchard & Armistead 1999; Trkman 2010) instead of the process level examination present in this thesis. On the other hand, those BPM studies taking more process-oriented level of examination have typically been focusing on the BPR (e.g. Küng & Hagen 2007) instead of focusing on the management and execution of existing processes. However, what seems to be agreed both in the BPM literature and the findings made within this thesis, is that in any BPM activity at any level of examination consideration about technological and human-centric aspects is a must. For example, when considering the findings made within this thesis, a lot is required from IT and it should truly support the management of the process, although the human-centric factors, such as employees with relevant skills in relevant roles, clearly defined responsibilities and appropriate leadership are as well highly important. This is consistent for example with the findings made by Hung (2006), according to whom in seeking competitive advantage through conducting BPM certain aspects should always be carefully considered. These aspects include IT alignment meaning IT supporting the whole business well and people involvement including both executive commitment and people empowerment.

As shown in the revised framework in the figure 15, IT supporting the process was found to be a one success factor for successful BPM in retail. Nowadays in cross-functional retail business processes utilization of IT is needed in order to fulfill the requirements set for the performance of the processes. Different business processes need different qualities from IT, and these specific needs may vary considerably lot depending on the process. However, when maximizing the performance of the process, it is not necessary enough to have just a vast set of different advanced IT systems and applications available for process participants for managing and executing the tasks in the process, but the IT has to truly support the management of the process. IT supporting the process means that the IT in

use is not just a set of different, separate and incoherent applications and software, but that the IT as a whole has the needed qualities and with the combination of these qualities the management of the process should be convenient, reliable, accurate, easy, as automated as possible and fast. However, without proper support from IT process might be managed rather successfully depending on the requirements set on the performance of the business process, although in that case it makes the management of the process less reliable, less accurate, less convenient and more time consuming. In addition, IT supporting the process poorly may become a bottleneck when increasing the performance of the process. To conclude, the IT in use has to holistically support the management of the process when maximizing the performance of the process.

With respect to the previous studies in the area of retail and utilized especially in the chapter 2.2.2, the benefits achieved through utilizing IT in the previous research are aligned with the findings made within this thesis. IT contributing to automation of tasks, information availability, data usage and agility in managing processes and making the execution of the tasks faster and more reliable are also recognized both in this thesis as well as in the earlier retail studies such as the ones conducted by Berman & Thelen (2004), Fiorito et al. (2010), Johansson (2002), Johansson & Burt (2004), Lyu et al. (2010), Marcussen (2006) and Swindley (1992). However, what seems to be lacking in the research in the area of retail is the finding made within this thesis that the IT as a whole should support the process properly as presented in the previous paragraph. This lack might be due the fact that the clear and explicit BPM perspective has been lacking in the retail research, as in the research concentrating on BPM the need for IT to truly support the business processes has been widely recognized (e.g. Attaran 2004; vom Brocke et al. 2013; Cragg & Mills 2011; Hung 2006; Trkman 2010). Cragg & Mills (2011) argue that “Stated simply, firms need to focus their IT in ways that support the specific business processes that are important to their business”. Attaran (2004) further argues that although the capabilities offered by IT should support the business processes, on the other hand the processes itself should be aligned with those capabilities provided by IT. The argument presented by Attaran (2004) arouses the question, whether in the case of IT supporting the management of the process poorly the process itself has been reengineered or only created in order to fulfill the set requirements without a proper consideration about IT. In that case, making IT support the process optimally might not be possible, if the reason for the deficient consideration was for example lack of available resources and investments. However, it is good to keep in mind, as Cragg & Mills (2011) argue, that the insufficient support from IT may also be simply due to the non-existence of applicable software to make IT support the process better.

Clearness of responsibilities was in many cases felt as a self-evident success factor based on the findings made within this thesis. If responsibilities are not defined clearly for the tasks in the process, the tasks will not be executed by anyone. Taken into account the self-evidently perceived importance of clear responsibilities it is interesting to see that in the

literature review the role of clear responsibilities as a success factor was not strongly emphasized, although for example in the study conducted by Johansson (2002) the importance of clear responsibilities was explicitly pointed out. Even in the BPM research usually only the importance of the clear definition of the process owner for each process is emphasized (Lee & Dale 1998; Pritchard & Armistead 1999; Trkman 2010), although in some studies, such as the one conducted by Deenitchin et al. (2015), the importance of clear definition of all the responsibilities in the process is mentioned. One reason for this might be that clear responsibilities of people participating in the process is a prerequisite for any process involving input from humans to be executed or even just to exist that emphasizing the importance of it has been neglected in the previous studies. Another explanation might be that actually clear responsibilities are already included in the definition of the business process. For example, using the process definitions presented in the chapter 2.1.1, this possibility emerges most clearly from the definition presented by Georgakopoulos & Hornick (1995), according to which business processes “typically separate work activities into well-defined tasks, roles, rules, procedures which regulate most of the work in manufacturing and the office”. If this is the case and taking into account the great emphasis on the clear responsibilities and the challenges taking place related to them in the findings made within this thesis, it might actually tell about the case company being in the very beginning of its BPM journey.

It was found out that instead of just generally skilled process participants, as proposed based on the literature review, it is more important to have the different roles in the retail business processes filled with process participants with relevant skills fitting that role, i.e. the need is more for specialists than generalists. Although the need for different kinds of skills was obvious based on the conducted literature review, the need for having roles filled with specialists with skills relevant for the roles was not. Actually the whole discussion, whether the tasks should be conducted by generalists or specialists present in the studies concentrating on BPM (e.g. Reijers & Mansar 2005; Trkman 2010), was not present and practically only generally a vast set of skills required was found to be relevant for the successful BPM in retail. This could very well be due to the fact that, as shown in the table 1, in the most references utilized in defining skilled process participants as one success factor the examined processes were buying processes, in which the focus was often on the role of a buyer. Thus, in the literature review the needed skills were studied mostly from buyer’s perspective and the skills needed in the role of buyer were emphasized. Due to this, the consideration about the need for different skills in different roles has probably been left on less attention, although in the study concentrating on new store opening process conducted by Sandberg (2014) the need for different functional expertise in the process was discussed. However, the processes within the examination of this thesis being rather both massive and truly cross-functional including tasks of great variety might result in a situation, where the need for specialists filling the demanding roles in the process is the only alternative. When compared to generalists, specialists building routine

faster and having deeper knowledge result in work being conducted faster and with higher quality (Reijers & Mansar 2005), based on which the use of specialists may be compulsory for those massive and cross-functional processes with a great variety of different tasks. However, based on the findings made within this thesis and regardless of the need for process participants to be more specialists than generalists, process participants having generalist-alike skills has positive outcomes on the performance of the process, as through increasing general understanding about the process the skills possessed by the process participants can be increased as well, as the tasks conducted by other process participants and their interdependencies to one's own tasks can be taken better into account in one's own role.

Although the literature review stayed quite superficial in the area of goal setting, as only the studies conducted by Cachon & Kök (2007), Hult et al. (2000) and Sandberg (2014) were utilized, the main findings made in the empirical part about goals being relevant factors to the successful BPM are aligned with the ones made in the literature review. Although different goals can exist in the same process, goals are perceived important, as with clear goals process participants know what is expected from them, what needs to be done and they guide process participants' work to the right direction. Based on the findings made within this thesis, the processes that are schedule-driven, meaning that the input for phases and tasks to be conducted originates from the set deadlines and schedules, the importance of these set deadlines and schedules are among the most important goals regardless of the function, although other important goals exist as well. In those processes that are not schedule-driven, meaning that the input for phases or for the whole process originates from factors unknown before they actually happen such as changes in customer behavior, the goals perceived most important can vary more depending on the functions or even roles and responsibilities within a process. However, regardless of whether the process is schedule-driven or not, there seems to always be some variation among the relevant goals and which of these goals are perceived more important than others depending on the functions, roles and responsibilities.

The important role of cross-functional interaction might be rather obvious for cross-functional business processes in retail such as those within the examination in this thesis. The findings made within this thesis about the importance of the cross-functional interaction are consistent with the findings made in the previous studies in the area of retail, such as those conducted by Hult et al. (2000), Johansson & Burt (2004), Lyu et al. (2010) and Sandberg (2014). However, what became evident based on the findings and what is not strongly and explicitly emphasized in the research already made, is that in the case of vast cross-functional retail business processes it is important not only for cross-functional interaction to exist, but also cross-functional interaction needs to be conducted in a controllable way, where all the necessary information is exchanged but the irrelevant information flood is avoided. For example, based on the findings made within this thesis, typical challenges are related to the two extremes, where either continuous information flood exists

or the necessary information is not exchanged with all the relevant process participants. These two unfavorable states at the opposite extremes may very well exist at the same in the same process, and finding the proper balance seems to be challenging. With the two extremes taking simultaneously place there are naturally two types of risks: important information may not be communicated to all the relevant process participants or process participants are communicated more information, including both irrelevant and relevant, than they can actually comprehend. Despite which one of the extremes is taking place, but if process participants do not receive nor absorb the important information, highly negative outcomes are possible depending on the criticality of the specific information to be exchanged.

When it comes to the success factor consisting of a combination of supplier performance and supplier discipline, the special nature of this success factor needs be understood. First, all the other success factors present in the revised framework for successful BPM in retail in the figure 15 are aiming at contributing to the performance of all the tasks, phases and subprocesses taking place regardless of whether the execution is on retailer's or external supplier's responsibility. Second, it could be argued that the required performance of a supplier is actually already guaranteed by these other success factors taking place. Third, contrary to the other success factors all preferably to be fulfilled at the same time, the actively conducted supplier discipline by the retailer is only needed, if simplified, when the supplier is not performing spontaneously without it. However, based on the findings made within this thesis the need for supplier performance and in some cases for supplier discipline was strongly emphasized, due to which the combination of supplier performance and supplier discipline was included in the revised framework in the figure 15 separately. Nevertheless, it should be acknowledged that this success factor might be overlapping with the other success factors and be actually included at least partially in them.

The findings made within this thesis about the need for supplier performance are consistent with the previous studies made by Johansson (2002), da Silva et al. (2002) and Takashima & Kim (2016). However, the emphasis of these previous studies is on the supplier performance and one might say they rely on a naive presumption that the suppliers should always perform automatically at the required level, due to which how to contribute to the performance of a supplier has been on less attention. This inconsistency between the previous studies and findings made within this thesis might be simply due to the relatively small amount of previous studies utilized in the chapter 2.2.4 or alternatively, the possible dependency of the case company on some of its suppliers. One might say that in optimal situation supplier performs automatically well and if not, an alternative supplier is sourced. However, if a retailer is dependent on some specific suppliers, for example there might be only one supplier from whom to buy a product highly important for the retailer, and supplier is not performing at the required level, the only choice is to

try to make the supplier perform with the help of actively conducted supplier discipline by the retailer.

The importance of leadership with positive outcomes based on the findings made within this thesis is consistent with the findings made in the previous studies in the area of retail (e.g. Hult 2000; Sandberg 2014) as well as in the studies concentrating on BPM (e.g. Hung 2006). However, based on the findings made within this thesis the required form and the amount of leadership can vary depending on the process, roles, responsibilities or even personal characteristics. Some processes may be so vast, complex and the amount of ongoing processes can be enormous, due to which the ability to work independently may be even more important than strong supervision from up. Even if there is a need for defining overall leadership responsibility for the whole process, the importance of which has been emphasized in the BPM research (e.g. Deenitchin et al. 2015), it may be difficult to implement due to the extensiveness of the process, a numerous amount of simultaneously ongoing processes and functional hierarchies, which was also pointed out by the interviewees.

In addition, based on findings made within this thesis, when problems occur or major disruptive factors are affecting the process, the role of leadership is emphasized and its importance is increased. For example, in problematic situations process participant with leadership responsibilities may have to be able to make critical decisions fast, guide the work of other process participants or just offer more support or encouraging than normally. Moreover, when considering other forms of leadership, regardless of how in the core of the business the process is or how well it is already performing, one should not forget the possible need for rewarding, encouraging and recognizing for good work even just in the form of words. For example, giving process participants recognition for good work can have highly positive effects on the performance of the process participant through recognizing the value of the process participant for the process.

Based on the findings made within this thesis, modelling and documenting the business processes contribute especially to making responsibilities clearer and increasing general understanding about the process. Through increasing general understanding about the process the skills of process participants can be increased as well. Moreover, process modelling and documentation can be seen as basis for process development, which in turn has a goal and purpose to have positive effect on the overall process performance. These findings are similar to those made in the previous studies about process modelling and documentation (e.g. Bandara et al. 2005; vom Brocke et al. 2013; Recker et al. 2009, Recker & Rosemann 2009; White & Cicmil 2016), although in the BPM research process modelling's role in making responsibilities clearer is rarely emphasized. This might be due to the clear responsibilities being prerequisite for any BPM initiative to take place such as process modelling in the BPM research. This in turn might imply, as suggested already earlier, that the case company is in the beginning of its BPM journey.



One might rightly argue that some of the success factors gone through are easier to fulfill than others. For example, making IT to support a process better might require substantial financial investments and other resources, and no change would happen overnight. However, for example when it comes to making one's own and others' responsibilities clear, the implementation of this improvement might be doable faster and with less financial investments, as even modelling and documenting the processes internally might have indirect, but significant effect on the process performance through making the self-evidently important responsibilities clearer.

### **5.3. Recommendations for the Case Company**

#### **5.3.1. Product Lifecycle Management Process**

The recommendations for the case company in the form of action plan considering the product lifecycle management process are listed below. The action plan can be seen as a proposition of what actions to implement in addition to those currently taking place to further contribute to the successful management of the process. The proposed actions aim at contributing to the successful BPM at the single level process level. In other words, the actions are suggested purely from the single process's point of view and considerations, whether the actions proposed are reasonable or even feasible for example from the whole organization's point of view, are not taken into account.

The action plan includes those actions that should next be implemented to further contribute to the fulfillment of the recognized success factors and this way to the success of managing the process in question. The suggested action plan is listed with priority levels assigned to separate actions by the seven success factors and actions related to the process documentation and modelling. The actions are prioritized by using the scale from one to three. Priority 1 is the highest priority meaning that the actions suggested should be immediately implemented. Priority 2 means the importance of the suggested actions is high, but not as urgent as in the case of priority 1. Priority 3 means that the need for the actions suggested exist, but those actions with higher priorities should first be solved.

- **Priority 1**
  - **IT supporting the process**
    - Implement actions to make IT support properly the management of the process.
- **Priority 2**
  - **Clear responsibilities (own & others')**
    - Implement actions to further clarify one's own as well as others' responsibilities.

- Especially the responsibility for the last phase of the process has to be precisely defined from now on in each process entering the phase.
- **Relevant cross-functional interaction**
  - Implement actions to make cross-functional interaction more efficient by removing unnecessary information exchange, but also ensuring that the important information truly needed to be exchanged between the necessary process participants is always actualized.
- **Goal setting**
  - Create goals for guiding the effective clearance of the products out-gone from assortment and assign these goals to relevant process participants.
  - Create process-wide goals and goals for guiding the selection of suppliers for the process participants taking part in the process.
- **Priority 3**
  - **Supplier performance/supplier discipline**
    - Implement actions to keep the performance of the currently automatically well performing suppliers as such.
    - Implement actions aiming at decreasing the current need for actively conducted supplier discipline so that the performance required from suppliers is achieved more automatically.
  - **Process participants with relevant skills in relevant roles**
    - Ensure the fulfillment of this success factor in the future by understanding, documenting and preserving the processes and policies behind the fulfillment.
    - Start paying special attention to keeping up the skills of process participants at the required level along the increasing requirements and expectations.
  - **Leadership**
    - Investigate with more care, whether the leadership currently occurring in the process is relevant and sufficient, based on which the necessary actions to be implemented can be decided.
  - **Process modelling and documentation**
    - Utilize the existing process documentation in making the responsibilities clearer and optimizing cross-functional interaction.

With the highest priority actions to make IT support the process better should immediately be initiated and those deficiencies pointed out in the interviews including invalid master data stored in the systems, inabilities of the current systems and work still being conducted manually should be paid special attention to. Although the process has been

performing without the proper support from IT, the deficiencies in IT are, however, perceived to significantly limit the possible increases in the performance of the process.

Although responsibilities may have become clearer compared to the past, still meaningful challenges exist from the whole process's point of view. Special attention should be paid to making one's own as well as others' responsibilities clearer so that negative outcomes currently being actualized can be avoided in the future. Especially the responsibility for the last phase of the process, where the occasionally unsuccessful clearance of the product outgone from assortment is supposed to take place, should be more clearly defined to avoid the failures in this important phase of the process.

Due to its importance for the process, attention should also be paid to bettering cross-functional interaction in the process. The occasional information exchange towards irrelevant process participants currently taking place resulting in confusion and misses of actually important information should be avoided in the future. On the other hand, it should also be ensured that the necessary information is always exchanged between all the relevant process participants, which is not actualized optimally either at the moment. It is good to acknowledge that further clarifying the responsibilities, as suggested above, might have positive influence on the cross-functional interaction.

In the area of goal setting well-guiding goals having clear impact on the successful clearance of the products outgone from assortment should be created and assigned to relevant process participants, which may be reasonable to implement together with clarifying the responsibility for this phase. Also process-wide goals and goals for guiding to more efficient supplier selection might be worth implementing, if those are only possible to be created in a reasonable way to have the hoped effects on the work conducted by difference process participants.

Automatically well-performing suppliers have always a positive effect on the process performance, due to which actions should be implemented to support the transition for those suppliers currently performing by the actively conducted supplier discipline to the state, where such an active management conducted by the case company would not be needed and suppliers would perform at high level more spontaneously. The challenges of making such a transition are acknowledged, but it is something that should be continuously aimed at. However, it is as important to implement actions so that the currently automatically well performing suppliers will do so in the future as well.

The case company seems to have succeeded in acquiring and placing process participants with relevant skills in relevant roles. The processes and policies behind this success should be understood, documented and held on so that in the future this success factor stays fulfilled as well. However, to prepare for the future special attention should be paid

to keeping up the skills needed from process participants along the increasing requirements and expectations.

As far as leadership is concerned, apart from one interviewee who suggested defining an overall leadership responsibility for the whole process, no meaningful challenges were pointed out by other interviewees. Thus, it would be reasonable to investigate, whether the current leadership practices occurring are truly relevant, sufficient and without considerable challenges or are the most process participants just unable to recognize any development needs. After the understanding gained through this suggested investigation the actions to either preserve the current leadership policies or to develop them can be decided on.

No unseized potential was pointed out by interviewed process participants about the conducted process modelling and documentation. However, with the perception of the process modelling and documentation being very useful they should be tried to be utilized especially in contributing to clear responsibilities and cross-functional interaction currently perceived to be filled with challenges. Utilizing clear and illustrative process documentation might have positive effects on these success factors and especially on clear responsibilities, as clarifying one's own and other's responsibilities were mentioned among the main benefits achieved through the conducted process modelling and documentation.

### **5.3.2. Campaign Management Process**

The recommendations for the case company in the form of action plan considering the campaign management process are listed below. The logic, reasoning and limitations behind the suggested action plan is exactly the same as presented in the beginning of the chapter 5.3.1.

- **Priority 1**
  - **IT supporting the process**
    - Implement actions to make IT support properly the management of the process.
- **Priority 2**
  - **Clear responsibilities (own & others')**
    - Implement actions to further clarify especially others' responsibilities in the process.
  - **Relevant cross-functional interaction**
    - Implement actions to ensure the necessary information exchange between the relevant process participants.
    - Implement actions to decrease the great risk of failing in the highly important cross-functional interaction.

- **Supplier performance/supplier discipline**
  - Implement actions to keep the performance of the currently automatically well performing suppliers as such.
  - Implement actions aiming at decreasing the current need for actively conducted supplier discipline so that the performance required from suppliers is achieved more automatically.
- **Goal setting**
  - Translate the campaign's hoped outcomes into precise sales and margin goals for both store personnel and white-collar employees.
- **Priority 3**
  - **Process participants with relevant skills in relevant roles**
    - Ensure the fulfillment of this success factor in the future by understanding, documenting and preserving the processes and policies behind the fulfillment.
  - **Leadership**
    - Pay attention to possible encouraging and recognizing for good work as part of daily process execution.
    - Investigate with more care, whether the leadership currently occurring and hierarchies existing are optimal for the successful management of the process, based on which the necessary actions to be implemented can be decided.
  - **Process modelling and documentation**
    - Utilize the existing process documentation in making the responsibilities of others clearer and bettering cross-functional interaction.
    - Analyze the potential ways of utilizing the existing documentation in addition to those already suggested by the interviewed process participants, based on which actions can be decided.

With the highest priority actions to make IT support the process better should immediately be initiated. Although many kinds of modern solutions offered by IT are utilized in the campaign management process, a lot of critical work is still conducted manually by humans and as a whole IT is not felt to support the process as it should. Especially this still manually conducted work should receive far more support from IT, as a result of which the improvements in speed, reliability, accuracy and automatization in conducting the tasks in the process could be achieved.

Although responsibilities may have become clearer all the time and especially one's own responsibilities seem to be clear, what seems to be a challenge and an important object of development is that the responsibilities of others are not always clear, which is being

actualized both among white-collar employees and store personnel. These unclear responsibilities of others are currently resulting in information gaps and confusion among process participants having negative effect on the process performance. Thus, actions in clarifying the responsibilities of others should be implemented in order to avoid the negative outputs currently being actualized.

As far as highly important cross-functional interaction is concerned, it is felt that it is difficult to keep all the relevant and only the relevant process participants informed about occurring matters along the process execution. This might actually result from unclear responsibilities of other process participants presented above and thus, by making others' responsibilities clear might have positive impact on cross-functional interaction. In addition, there seems to lie a great risk in failing in the whole process by simply failing in cross-functional interaction for example in the case of communicating the changes in the campaign product list onwards. By making IT support the process better might be one sustainable way to lower this risk and also to make the cross-functional interaction more efficient. However, despite what the proper way will be, actions should be implemented in bettering the cross-functional interaction so that the necessary information is always exchanged between all the relevant process participants and that the considerable risk of failing in cross-functional interaction is decreased.

In the campaign management process the challenges are related to the suppliers that are not performing automatically at the required level, but need actively conducted supplier discipline by the case company's process participants. The suppliers in need for that kind of supplier discipline include at the moment suppliers of sellable products. Although campaigns are not necessarily dependent on single product suppliers, occasionally the campaign management processes are perceived to fail in the end part due to the suppliers' inability to perform at the required level even after active actions have been made in trying to ensure the performance of suppliers. However, actions should be continuously implemented to keep the performance of well-performing suppliers as such, but also to support the transition for those suppliers currently performing by the actively conducted supplier discipline to the state, where such an active management conducted by the case company would not be needed and suppliers would perform at the required level more spontaneously.

In the area of goal setting the hoped outcomes from campaigns in terms of euros should be translated into concrete and precise sales and margin goals for both store personnel and also for white-collar employees. With such goals in use a positive impact could be generated especially on the performance of the phase, where the campaign products are actually sold to consumers at store level. These kinds of goals in use would possibly affect positively all the actions made as part of the whole process.

The case company seems to have succeeded in acquiring and placing skilled process participants with relevant skills in relevant roles. The processes and policies behind this success should be understood, documented and held on so that in the future this success factor stays fulfilled as well.

In the case of leadership it is perceived that in normal situations the need for ability to work independently is more important than traditional leadership in the form of strong supervision from up. However, the recognized need for conducting leadership in situations, where process participant does not have the authority to actually do that, might reflect the need to tune the leadership policies or even hierarchies currently taking place. Despite the nature of the campaign management process being in the core of the process participants' work, attention should also be paid to encouraging and recognizing for good work in terms of words also in normal situations, as depending on the characteristics of the process participants these actions can have positive effect on the participant and this way on the work being conducted. In addition, it would be reasonable to investigate with more care, whether the leadership as a whole is truly sufficient or are the most process participants just unable to recognize any development needs. After the understanding achieved through this suggested investigation additional actions to either preserve the current leadership policies or to develop them can be decided on.

As far as conducted process modelling and documentation is concerned, unseized potential recognized by the process participants exist. Potential ways of utilization pointed out by the interviewees include using the documentation as an introduction material, at the store level making others' responsibilities clearer and increasing the general understanding about the process. Making responsibilities clearer being among the main benefits achieved through conducted process modelling and documentation, the existing documentation should definitely be utilized in making others' responsibilities clearer and possibly in bettering the cross-functional interaction. Also other potential ways of utilizing the existing documentation in addition to those pointed out by the interviewees should be analyzed based on which actions can be decided on.

### **5.3.3. New Store Opening Process**

The recommendations for the case company in the form of action plan considering the new store opening process is listed below. The logic, reasoning and limitations behind the suggested action plan is exactly the same as presented in the beginning of the chapter 5.3.1.

- **Priority 1**
  - **None**
    - none

- **Priority 2**
  - **IT supporting the process**
    - Evaluate and decide, whether to implement a new project scheduling software.
    - Analyze the unseized potential existing in the IT in use especially from cross-functional interaction's point of view and if possible, harness it to use.
    - Evaluate and decide, whether tasks currently being executed manually could be automated.
  - **Relevant cross-functional interaction**
    - Implement the wrap-up meeting with all the relevant functions present after every single conducted new store opening process.
    - Ensure that no roles are being left out from communication and interaction during the process. If these roles exist, implement actions to make the needed cross-functional interaction to cover all the relevant roles in the process.
  - **Goal setting**
    - Create objective goal or goals for the desired looks of a new store so that the finalized looks is not dependent on the experience of single process participants with comprehensive experience and tacit knowledge.
- **Priority 3**
  - **Clear responsibilities (own & others')**
    - Ensure the fulfillment of this success factor in the future by understanding, documenting and preserving the processes and policies behind the fulfillment.
    - Evaluate more deeply, whether the responsibilities are truly clear and if not, decide on the necessary actions to be implemented.
  - **Supplier performance/supplier discipline**
    - Implement actions to keep the performance of the currently automatically well performing suppliers as such.
  - **Process participants with relevant skills in relevant roles**
    - Ensure the fulfillment of this success factor in the future by understanding, documenting and preserving the processes and policies behind the fulfillment.
  - **Leadership**
    - Emphasize the role of initiative meeting from leadership's point of view.
  - **Process modelling and documentation**
    - Utilize the existing process documentation as an introduction material.



- Analyze the potential ways of utilizing the existing documentation in addition to those already suggested by the interviewed process participants, based on which actions can be decided.

In the area of IT a couple of different areas to be developed are emphasized depending on the role of the interviewed process participant. One would consider implementing an advanced project scheduling software, whereas another argues that there still exists unseized potential in the IT currently in use especially from cross-functional interaction's point of view. Third one would concentrate on automating some tasks currently being executed manually. Although these development ideas may be more about fine-tuning, they are still in the core as far as the successful management of new store opening process is concerned. Thus, the unseized potential lying in the current IT set-up should be evaluated and possibly taken into use. The possible implementation of the new project scheduling software should carefully be evaluated and decided on. The possibility to automate the current tasks currently being executed manually should as well be evaluated.

In the case of cross-functional interaction some roles in the process probably feel being left out from the necessary cross-functional interaction and there exist a clear need for a wrap-up meeting with all the relevant functions present after the conducted process to evaluate, how the process went, what was done, what went good, what went bad and lessons would be learnt. Taking into account the cross-functional nature of the new store opening process, actions to start holding the wrap-up meetings on continuous basis should be implemented. It should also be ensured that no roles in the process are being left out from the relevant cross-functional interaction and implement actions if needed to repair it.

As part of goal setting a good way to create an objective goal for the desired looks of a new store should be found and implemented despite the well-recognized challenges related to creating such a goal. At the moment ensuring the desired looks of a new store is based on those process participants with a great deal of experience from new store openings. However, success being dependent on the experience and tacit knowledge of specific process participants can be seen as a deficient risk management, and thus such an objective goal or goals for the desired looks of a new store should be tried to be created.

Only the occasional information flood through email resulting presumably from unclear responsibilities of others was pointed out by one interviewee as a potential area of development. Based on this observation the process seems to be without significant challenges regarding clear responsibilities. Although the responsibilities seem to be clear at the moment, it should be ensured that the responsibilities stay clear as well in the future, due to which the current policies and processes behind clear responsibilities should be understood, documented and implemented on continuous basis. However, it is good to acknowledge that the question about clear responsibilities was added to the question

frame after a couple of already conducted interviews, due to which the discussion stayed quite superficial and more challenges related to clear responsibilities might exist although they were not brought up during the interviews. Thus, in the case of new store opening process it should be separately evaluated, whether the responsibilities are truly clear and if not, decide on the implementation of the actions to make the responsibilities clear.

Actions should be implemented so that the performance of single external equipment suppliers, which currently seems to be mostly at the required level without actively conducted supplier discipline, is maintained as such in the future as well. New store openings are not usually dependent on single suppliers of sellable products, due to which from this process's point of view the performance of equipment suppliers is most relevant.

The case company seems to have succeeded in acquiring and placing skilled process participants with relevant skills in relevant roles as far as new store opening process is concerned. The processes and policies behind this success should be understood, documented and held on so that in the future this success factors stays fulfilled as well. Before there were some challenges related to not having employees with relevant skills in relevant roles, but this was acknowledged and reacted to.

Leadership seems to be without significant challenges at the moment and those policies taken are perceived to be relevant, important and sufficient. As a minor development proposal the role of initiative meeting from leadership's point of view could be emphasized.

As far as the conducted process modelling and documentation is concerned, there seems to lie a great deal of unseized potential recognized by the process participants. Possible use as an introduction material is explicitly expressed, but it is as well widely perceived that through some proper way much more could be gained via utilizing the existing process documentation. The total potential of utilizing the existing documentation should be analyzed based on which the actions to be implemented can be decided.

## 6. CONCLUSIONS

### 6.1. Reaching the Research Objectives

Within this thesis there were two research objectives, of which the first one was the following:

1. To gain understanding about the factors relevant to the success of BPM in retail environment at the single process level.

Based on the previous chapter, where the factors relevant to successful BPM were discussed, more understanding was clearly achieved about the factors behind BPM success in retail at the single process level. However, within this thesis and with respect to the figure 7 about BPM within the scope of this thesis presented in the chapter 2.2.1, the focus in this thesis was actually on the managing and executing the ongoing processes successfully as such, due to which less attention has been on the aspects related process improvement. Due to this, the first research objective presented above was partially fulfilled.

The second research objective was the following:

2. To be able to give concrete managerial advice about which actions to conduct to contribute to the successful BPM.

Clear managerial advice was constructed. Managerial advice was given for both retail companies generally that is presented in the chapter 6.3 and specifically for the case company already presented in the chapter 5.3. As far as the managerial advice specifically for the case company is concerned, for each process within examination, which were product lifecycle management process, campaign management process and new store opening process, a concrete action plan with priorities for each action was created. However, the same limitation is valid here as presented in the case of the first research objective related to the focus on the execution of the ongoing processes. Thus, the second research objective was also partially fulfilled.

### 6.2. Academic Contribution

As its main academic contribution this thesis offers a totally new perspective into successful BPM in the context of retail at the single process level from retailer's point of view, which has obviously been lacking in the previous research. Factors behind successful BPM in retail have not been investigated in such a holistic way strictly from business process perspective as this thesis does. In the area of retail this thesis can be seen to con-

tribute to increasing understanding about the factors behind BPM success, how these factors are relevant to BPM success and what kind of challenges retailer faces in trying to conduct BPM successfully at the single process level.

This thesis also contributes to the research concentrating on BPM by adding the retailer's point of view currently lacking in the BPM research. In addition, whereas BPM research typically concentrates on successful BPM at higher levels of examination than this thesis does or alternatively on reengineering single processes as part of BPM, this thesis contributes to the BPM research by bringing understanding to the process level how to manage those already existing and ongoing processes successfully.

### **6.3. Managerial Implications**

As far as the managerial implications to be presented next are concerned, the level of examination within this thesis should be kept in mind. The successful BPM was studied at the single process level and thus, the managerial advice to be given aims at contributing to the success of the single processes. For example, managerial advice within this thesis does not take into account, whether it is best for the whole organization as the view is strictly on maximizing the performance of single processes. For example, if one is trying to maximize the performance of the product life cycle management process without any consideration to other processes and organization as whole, it can be regarded as partial optimization from the whole organization's point of view and thus be highly negative for the whole organization with consequences such as inability to focus on the critical areas of the business, profit decreases and other destructive financial outcomes at (Grifell-Tatjé & Knox Lovell 2015, p. 16; Kaplan & Norton 1992; Lee et al. 2009, p. 46).

When retailer is managing single cross-functional business processes with the presence of external suppliers, by ensuring the fulfillment of the success factors listed below retailer should be more certain about the success of the management of the single business processes. In order to fully contribute to the successful management of the single business processes, all of the success factors are important and there is no reason to exclude any of them totally from the list.

- IT supporting the process
- Clear responsibilities (own and others')
- Relevant cross-functional interaction
- Supplier performance achieved through supplier discipline if needed
- Process participants with relevant skills in relevant roles
- Leadership
- Goal setting

IT should truly support the management of the single business processes. Due to the high requirements in today's retail environment IT might easily become a bottleneck for performance increases if IT is not supporting the processes well.

One's own responsibilities should be clear so that all the necessary and required tasks in the process are conducted on time. Also all the tasks and phases in the process should be given clearly on someone's responsibility to avoid negative effects on the process. In addition, also the responsibilities of other process participants in the process should be understood, as this way other tasks and phases in the process can be taken better into account as part of one's own work.

Relevant cross-functional interaction should take place so that all the necessary information is exchanged between all the relevant process participants, but on the other hand irrelevant interaction is avoided. Only the relevant but all the relevant process participants should engage in any cross-functional interaction taking place along the process execution.

In the best scenario suppliers perform at the required level spontaneously, but if not, actively conducted supplier discipline is needed from the retailer. However, it is reasonable for retailers to implement actions on continuous basis aiming at maintaining the performance of automatically well performing suppliers and also other actions aiming at converting those suppliers currently in need of active supplier discipline to spontaneously well performing ones.

All the roles in the process should be filled with process participants with relevant skills fitting that role. In other words, the need here is more for specialists, although general understanding about the process should be possessed so that the other parts in the process can be taken better into account.

Leadership should take place as well. The form of leadership needed depends on the process, roles, responsibilities or even personal characteristics of process participants. In addition, despite how in the core of the retailer's business a process to be managed might be, one should not forget the need for everyday encouraging and recognizing for good work.

Goals should be set so that they guide the process participants to the right and wanted direction when executing tasks in the process. However, goals have to be defined so that the process participants can truly have an effect on them. If a task or phase given on someone's responsibility is continuously unsuccessfully conducted, with the help of effective goals set for the relevant process participants the failures might be converted into successes.

In addition to the success factors gone through above, by engaging in process modelling and documentation responsibilities can be made clearer and general understanding about the process can be increased. This further increases the skills possessed by the process participants as with the achieved general understating other parts in the process can be taken better into account in one's own role.

#### **6.4. Validity and Limitations**

First, the research methodology choices in general might affect the validity of the findings made within this thesis. The research was conducted as a qualitative research using a case study strategy with a multiple-case design, which has its limitations. For example, in qualitative case study it is solely on the responsibility of the researcher to examine the phenomenon of interest and convert it into an understandable form with all the relevant information included (Baxter & Jack 2008). Thus, by using qualitative case study the findings made within this thesis represent at least partly the subjective interpretation made by the author about the phenomenon under investigation. Although multiple-case design was used and multiple processes were examined, which should increase the trustfulness of the generalizations made as Saunders et al. (2009, pp. 146-147) argue, it is important to acknowledge that only one case company was used. Using only case company might decrease trustfulness of the generalizations about successful BPM in retail, as the characteristics of the case company might affect all the findings made. For example, process participants with relevant skills in relevant roles and clear responsibilities were found to be success factors in successful BPM in retail, but this might be due to the perception that the current tasks in the examined processes require a great deal of manual work and the current IT in use is supporting the processes poorly. In a situation where IT is supporting the management of the process properly, the need for the vast set of different skills in different roles might be decreased, which was also pointed out by the interviewed process participants.

As far as the findings made based on the conducted literature review are concerned, they significantly rely on studies concentrating purely on buying processes. This is also illustrated in the table 1. This is a clear limitation taking into account that none of the examined process in the empirical part were simply buying processes, but far more extensive processes including a numerous amount of subprocesses, such as buying process. In addition, as the clear and explicit BPM perspective seemed to lacking in the research in the area of retail, the studies utilized in the literature review have first been evaluated to fit the research within this thesis and then analyzed from BPM perspective created earlier in this thesis. This might question the fit between the literature review and the conducted empirical part. Moreover, it is always possible that all the relevant studies have not been found and thus, all the relevant research previously made might not be included in the literature review. Although clear success factors were identified in the empirical part with

the help of the framework constructed based on previous studies, the possibility of not having all the relevant research included in the literature review might question especially the discussion made about the findings with respect to previous studies in the chapter 5.2.

The interviewees were chosen so that all the relevant functions participating in each process under examination within this thesis would be present in the interviews. However, for each process only one interviewee from each relevant function was chosen and interviewed. Thus, the results represent the subjective perception of the chosen interviewees about the successful BPM in retail. Although the fair amount of interviewees per process should lessen the effects of subjectivity and clear similarities were found between different interviews, the presence of subjectivity in the results should be kept in mind.

As far as the perceived challenges related to the success factors or the unseized potential in the existing process documentation are concerned, it is important to acknowledge that neither one of these was separately asked from the interviewed process participants during the interviews. Only the importance of the success factors and the benefits of the conducted process modelling and documentation were explicitly asked. The challenges and the unseized potential were only spontaneously brought up by the interviewees. Due to this especially the recognized challenges related to the success factors and the unseized potential lying in the existing process documentation might not present the holistic picture. Thus, the managerial implications implying, which actions to implement to further contribute to the successful BPM through improving the fulfillment of the success factors, might be based on incomplete information.

The processes in examination within this thesis both in creating the theoretical framework as well as in the empirical part can be considered to be key processes of a retailer due to which the motivational and other factors related to leadership in managing processes may have been underemphasized. For example, when considering process such as product lifecycle management examined in the empirical part, the process can be seen as a prerequisite for any retail organization to exist and thus processes participants are forced to execute the process possibly with more care than other processes, regardless of whether the process participants are motivated or not. From this point of view the findings within this thesis may be limited to the processes that are simply compulsory for a retailer to manage with decent success.

It is good to keep in mind that the structure of the interview, which was built according to the theoretical framework, may have hindered the interviewees' ability to think out of the box and may have forced them to think rather the success factors and especially their fulfillment within this ready framework than to think other possible factors behind BPM success, although one totally new factor, clear responsibilities, was recognized by the interviewees. When asked how to tune the successful framework gone through, some of the interviewees explicitly expressed the difficulty of thinking anything else. Of course

the revised framework in the figure 15 might cover all the necessary aspects in order to successfully manage retail business processes within the constraints set in this thesis, but still interviewees may have been unable to express all of their thoughts due to the interviewing situation.

As far as the processes under examination are concerned, new store opening process and campaign management process were easily comprehensible for the interviewees and all the process participants interviewed seemed to comprehend the processes and their roles in them in the same way. However, in the case of product lifecycle management process, the process was not always so easy to comprehend, as the process itself is rather comprehensive and in the eyes of the interviewees it seemed to leave some room for interpretation what is actually meant with the process and at what level it should be examined even after guiding the interviewees to the right direction during the interview. This might question the validity, meaning whether the findings really imply what they seem to imply (Saunders et al. 2009, p. 157), of all the findings made based on the examined product lifecycle management process, although afterwards the findings about this process seemed to support each other and construct as clear totality as in the cases of the other two processes.

Related to the possible limitations caused by the interpretable nature of the product lifecycle management process presented above, also the interviewee's chosen point of view in analyzing the success factors during the interviews may question the validity of the findings made in the cases of all the three examined processes. Interviewees were tried to be guided to analyze the questions asked from their own and their team's point of view, which usually seemed to be actualized. However, in a few interviews the interviewees were clearly analyzing the questions from the whole process's point of view, in which cases the specific view from the chosen function represented by the interviewee may have been left to less or no attention at all. Based on this observation it should be kept in mind that the revised framework built within this thesis may not represent the holistic image of the successful BPM in retail, as some relevant functions may not actually be included in the findings.

It is important to keep in mind that it is not guaranteed that once a good approach of managing processes in one place would work equally well in another (Pritchard & Armistead 1999). Similarly according to Trkman (2010) in many cases the recognized critical success factors are case-specific and it should not be automatically assumed that for example copying key business processes or their successful management approach from one case to another will generate the positive results, which limits the possible generalization of the findings made within this thesis. In this thesis the business processes under examination were truly cross-functional business processes including activities also performed independently by or jointly with an external supplier from retailer's perspective, due to which applying the findings and generalizations made within this thesis to



any other situation should be done with extra care and evaluation whether the findings can truly be applied in other contexts as well.

## **6.5. Future Research**

Although process modelling and documentation was found to both directly and indirectly have positive effect on the found success factors, however, how to actually achieve the fulfillment of the success factors remains outside this thesis and motivates for future research. For example, within this thesis relevant cross-functional interaction and process participants with relevant skills in the relevant roles were found to be among the success factors behind successful BPM in retail, but how to actually accomplish the fulfilment of these factors and as importantly how to maintain them at the required level would be highly interesting and useful to study in the future research.

The focus of this thesis was on managing the already existing and ongoing single business processes. Other important areas of BPM, such process improvement, were left on little attention, which motivates for future research. If the findings made within this thesis tell about the relevant success factors behind BPM success at the single process level in the case of ongoing and stabilized business processes, future research should cover also other areas of BPM including process improvement in order to contribute to more holistic understanding about successful BPM in retail.

When taking into account the clear BPM perspective currently lacking in the retail research and the possible role of BPM in maintaining and gaining competitive advantage in the changing retail industry, in the big picture it would be reasonable to start studying retail environments from the strong and explicit BPM perspective by using other levels of examination in addition to the process level examination present within this thesis. In the whole BPM scene this thesis, however, offers quite a narrow and limited view into the world of BPM. To conclude, motives exist for the convergence of the BPM and the retail research.

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## APPENDICES (1 PIECE)

### Appendix 1: Frame of the semi-structured theme interview

#### 1. Background of the interview

- a. Title, job description and educational background?
- b. Roles and responsibilities in the process?
- c. Experience in the process?

#### 2. Success metrics of the process

- a. What does success in the process / successful process management mean for you?
- b. What are the main goals as part of the management of the process?
- c. Could you provide an example of an executed process, which was either highly successful or unsuccessful?
  - i. What were the factors critical for the successful/unsuccessful process execution?

#### 3. Success factors related to the business process management

- a. Successful management of the process: What do you consider to be important in the following areas?
  - i. Utilization of IT
  - ii. Clear responsibilities
  - iii. Cross-functional interaction
  - iv. Working relationship with supplier
  - v. Skilled process participants
  - vi. Leadership
  - vii. Goal setting
  - viii. Other area
- b. Benefits of the recently conducted process modelling and documentation?
- c. Is there something else important for the successful management of the process?

#### 4. Other points

- a. Any other points or observations related to managing the process successfully?